



BARCLAYS PLC

(incorporated with limited liability in England and Wales)

£60,000,000,000

Debt Issuance Programme

Any notes ("**Notes**") issued pursuant to this base prospectus (the "**Base Prospectus**") under the Debt Issuance Programme (the "**Programme**") on or after the date of this Base Prospectus are issued subject to the provisions described herein. Under the Programme, Barclays PLC (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes. The aggregate nominal amount of Notes outstanding under the Programme will not at any time exceed £60,000,000,000 (or the equivalent in other currencies), subject to increase as provided herein.

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") under Part VI of the Financial Services and Markets Act 2000 ("**FSMA**") as a base prospectus issued in compliance with Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of 12 months from the date of approval of this Base Prospectus. This Base Prospectus comprises a base prospectus for the purpose of Article 5.4 of the Prospectus Directive. Applications have been made for such Notes to be admitted during the period of 12 months from the date of approval of this Base Prospectus to listing on the Official List of the FCA (the "**Official List**") and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**").

The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MIFID II**") (the "**Market**"). References in this Base Prospectus to Notes being "listed" (and all related references) shall, unless the context otherwise requires, mean that such Notes have been admitted to the Official List and admitted to trading on the Market.

Additionally, application has been made for Notes to be admitted to trading on the International Securities Market of the London Stock Exchange (the "**ISM**"). The relevant Final Terms (as defined below) will state on which market(s) the relevant Notes will be admitted to trading.

The ISM is not a regulated market for the purposes of MIFID II. The ISM is a market designated for professional investors. Notes which are designated in the relevant Final Terms as being admitted to trading on the ISM are not admitted to listing on the Official List. Such Notes do not form part of this Base Prospectus and in relation to such Notes neither the FCA nor the London Stock Exchange has approved, reviewed or verified the contents of this Base Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"). Subject to certain exemptions, the Notes are not being offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S ("**Regulation S**")). The Notes are being offered and sold outside the United States to persons that are not U.S. persons and (in the case of Notes represented by Restricted Global Certificates) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")). See "*Subscription and Sale*" and "*Transfer Restrictions*".

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.

Arranger
BARCLAYS
Dealers

BARCLAYS
CITIGROUP
MORGAN STANLEY

BNP PARIBAS
DEUTSCHE BANK
SANTANDER CORPORATE & INVESTMENT
BANKING
UBS INVESTMENT BANK

5 March 2019

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and the relevant Final Terms (as defined below) for each tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus (or the relevant Final Terms as the case may be) is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

None of the Dealers or any of their respective affiliates shall be responsible for any act or omission of the Issuer or any other person (other than the relevant Dealer or affiliate) in connection with the Programme and the issue and offering of Notes thereunder.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

The Notes

Notes may only be issued under the Programme which have a denomination of at least €100,000 (or its equivalent in any other currency).

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either (i) individual note certificates in registered form ("**Individual Certificates**"); or (ii) one or more unrestricted global note certificates ("**Unrestricted Global Certificates**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act and/or one or more restricted global note certificates ("**Restricted Global Certificates**") (together with the Unrestricted Global Certificate(s), the "**Global Certificates**") in the case of Registered Notes sold to "qualified institutional buyers" (each, a "**QIB**") in reliance on Rule 144A under the Securities Act.

Each Note represented by an Unrestricted Global Certificate will either be: (a) in the case of a Global Certificate which is not to be held under the new safekeeping structure ("**NSS**"), registered in the name of a common depository (or its nominee) for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU Service**") operated by the Hong Kong Monetary Authority (the "**HKMA**") and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common depository and/or the sub-custodian; or (b) in the case of a Global Certificate to be held under the NSS, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Note represented by a Restricted Global Certificate will be registered in the name of Cede & Co. as nominee for the Depository Trust Company ("**DTC**") and the relevant Restricted Global Certificate will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Notes represented by a Restricted Global Certificate may only be held through DTC at any time.

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg, and/or a sub-custodian for the CMU Service and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Other relevant information

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information with regard to it and its subsidiaries which is (in the context of the Programme or the issue, offering and sale of the Notes) material, that such information is true and accurate in all material respects and not misleading and does not omit to state any other fact required (in the context of the Programme or the issue, offering and sale of the Notes) to be stated therein or the omission of which would make any information contained herein misleading in any material respect and all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such information.

To the fullest extent permitted by law, none of the Dealers, Barclays Bank PLC in its capacity as arranger (the "**Arranger**") or The Bank of New York Mellon, London Branch (the "**Trustee**") accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, the Trustee or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger, the Trustee and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer under or in connection with the Notes.

Unauthorised Information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Arranger, the Trustee or any Dealer.

Neither the Dealers nor any of their respective affiliates, the Arranger, nor the Trustee have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Trustee. Investors should review, *inter alia*, the most recent published financial statements of the Issuer when evaluating the Notes.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S.

tax law requirements. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Unrestricted Registered Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and the Restricted Registered Notes are being offered and sold within the United States to QIBs that are also qualified purchasers in reliance on the exemption from registration under the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

To permit compliance with Rule 144A under the Securities Act in connection with resale of Notes that are "Restricted Securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer will furnish upon the request of a holder of such Notes or of a beneficial owner of an interest therein, to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

MiFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the

Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Neither this Base Prospectus nor any Final Terms nor any of the documents incorporated by reference constitutes an offer or an invitation to subscribe for or purchase any Notes and are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Trustee, the Arranger or any of the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risk of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Renminbi-denominated Notes

Renminbi is currently not freely convertible and conversion of Renminbi outside the PRC is subject to certain restrictions. Investors should be reminded of the conversion risk with Renminbi-denominated Notes. In addition, there is a liquidity risk associated with Renminbi-denominated Notes, particularly if such investments do not have an active secondary market and their prices have large bid/offer spreads. Renminbi-denominated Notes are denominated and settled in Renminbi available outside the PRC, which represents a market which is different from that of Renminbi available in the PRC (as defined below).

Definitions

In this Base Prospectus, references to (i) "£", "GBP" or "pounds sterling" are to the lawful currency for the time being of the United Kingdom and Northern Ireland; (ii) "€", "EUR" or "euro" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; (iii) "USD", "U.S.\$" or "U.S. Dollars" are to the lawful currency for the time being of the United States of

America, its territories and possessions, any state of the United States of America and the District of Columbia; (iv) "¥", "JPY" or "Yen" are to the lawful currency for the time being of Japan; (v) "Renminbi", "RMB" and "CNY" are to the lawful currency for the time being of the People's Republic of China (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) (the "PRC"); (vi) "HKD", "Hong Kong dollars", "Hong Kong dollar" and "HK\$" are to the lawful currency for the time being of Hong Kong; (vii) "NOK" and "Norwegian Kroner" are to the lawful currency for the time being of the Kingdom of Norway; (viii) "SEK" are to the lawful currency for the time being of the Kingdom of Sweden; (ix) "SGD" or "S\$" are to the lawful currency for the time being of the Republic of Singapore; and (x) "ZAR" are to the lawful currency for the time being of the Republic of South Africa.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Base Prospectus to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) applicable to the Issuer or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"), or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

The Issuer is duly incorporated as a public limited company incorporated under the laws of England and Wales. Substantially all of the Issuer's directors and executive officers are non-residents of the United States. All or a substantial portion of the assets of the Issuer and of its directors and officers are located outside the United States. As a result, it may not be possible for an investor to effect service of process within the United States upon those persons or to enforce against them judgements of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States.

SUPPLEMENTAL BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to Section 87 of the FSMA, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a

further base prospectus which, in respect of any subsequent issue of Notes to be admitted to trading on the Regulated Market of the London Stock Exchange or on the ISM, as specified in the relevant Final Terms, and in the case of Notes admitted to trading on the Regulated Market of the London Stock Exchange, admitted to listing on the Official List, shall constitute a supplemental base prospectus as required by the FCA and Section 87 of the FSMA.

FORWARD-LOOKING STATEMENTS

This Base Prospectus and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act with respect to the Issuer and its consolidated subsidiaries (the "**Group**"). The Issuer cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, International Financial Reporting Standard 9 ("**IFRS 9**") impacts and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards ("**IFRS**") including the continuing impact of IFRS 9 implementation, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; the United Kingdom ("**UK**"), the United States ("**U.S.**"), Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the UK from the European Union (the "**EU**") and the disruption that may subsequently result in the UK and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in the Group's filings with the SEC (including, without limitation, in the 2018 Annual Report (as defined in the "*Information Incorporated by Reference*" section below)), which are available on the SEC's website at <http://www.sec.gov>.

Subject to the Issuer's obligations under the applicable laws and regulations of the UK and the U.S. in relation to disclosure and ongoing information, the Issuer undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The relevant Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

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OVERVIEW OF THE PROGRAMME

The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by the remainder of this Base Prospectus and the information incorporated by reference herein (and, in relation to any Tranche of Notes, the relevant Final Terms). Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this Overview of the Programme.

Issuer:	Barclays PLC (the " Issuer "). The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group's two home markets of the UK and the U.S. The Group is organised into two clearly defined business divisions – the Barclays UK division (" Barclays UK ") and the Barclays International division (" Barclays International "). These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC (" BBUKPLC ") and Barclays International sits within Barclays Bank PLC (" BBPLC ") – which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group. Barclays UK offers everyday products and services to retail customers and small to medium sized enterprises based in the UK. Products and services designed for the Group's larger corporate, wholesale and international banking clients are offered by Barclays International. The Issuer is the ultimate holding company of the Group.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Arranger:	Barclays Bank PLC.
Dealers:	Barclays Bank PLC, Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc and UBS AG London Branch and any other Dealer appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	The Bank of New York Mellon, London Branch.
Principal Paying Agent and Foreign Exchange Agent:	The Bank of New York Mellon, London Branch.
Agent Bank:	The Bank of New York Mellon, London Branch or any other entity as may be specified in the relevant Final Terms.
ICSD Registrar, ICSD Paying Agent and ICSD Transfer Agent in respect of Notes other than CMU Notes:	The Bank of New York Mellon SA/NV, Luxembourg Branch.

**CMU Lodging and Paying Agent,
CMU Registrar and CMU
Transfer Agent in respect of
CMU Notes:**

The Bank of New York Mellon, Hong Kong Branch.

**Admission to Listing and
Trading:**

Applications have been made for Notes to be admitted during the period of 12 months from the date of approval of this Base Prospectus to listing on the Official List of the Financial Conduct Authority ("**FCA**") and to trading on the Regulated Market of the London Stock Exchange.

Additionally, application has been made for Notes to be admitted to trading on the International Securities Market of the London Stock Exchange (the "**ISM**"). The ISM is not a regulated market for the purposes of MIFID II. The ISM is a market designated for professional investors. The relevant Final Terms will state on which market(s) the relevant Notes will be admitted to trading. Notes which are designated in the relevant Final Terms as being admitted to trading on the ISM are not admitted to listing on the Official List.

Clearing Systems:

In respect of Notes other than CMU Notes, Euroclear and/or Clearstream, Luxembourg and/or DTC and, in respect of CMU Notes, the CMU Service and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

Programme Amount:

Up to £60,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Distribution Agreement.

Issuance in Series:

Notes will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Final Terms:

Each Tranche of Notes will be issued on the terms set out in the Conditions as completed by the relevant Final Terms or Drawdown Prospectus.

Forms of Notes:

Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

Bearer Notes

Bearer Notes will be sold outside the United States to non-U.S. persons in "offshore transactions" within the meaning of Regulation S. In respect of each Tranche of Bearer Notes, the Issuer will deliver a temporary global Note (a "**Temporary Global Note**") or (if TEFRA is specified as non-applicable or if the TEFRA C Rules are specified as applicable) a permanent global note (a "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Bearer Global Note**").

Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final

Terms, for Notes in definitive bearer form ("**Definitive Bearer Notes**"). Each Permanent Global Note will be exchangeable for Definitive Bearer Notes in accordance with its terms. Definitive Bearer Notes will, if interest-bearing, have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons.

Each global note which is intended to be issued in new global note ("**NGN**" or "**New Global Note**") form, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper (or its nominee) for Euroclear, Clearstream, Luxembourg and each global Note which is not intended to be issued in NGN form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or before the relevant issue date therefore with a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or a sub-custodian for the CMU Service operated by the HKMA and/or any other relevant clearing system.

Registered Notes

Each Tranche of Registered Notes will be represented by either (i) individual note certificates in registered form ("**Individual Certificates**"); or (ii) one or more unrestricted global note certificates ("**Unrestricted Global Certificates**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act and/or one or more restricted global note certificates ("**Restricted Global Certificates**") (together with the Unrestricted Global Certificate(s), the "**Global Certificates**") in the case of Registered Notes sold to "qualified institutional buyers" (each, a "**QIB**") in reliance on Rule 144A under the Securities Act.

Each Note represented by an Unrestricted Global Certificate will either be: (a) in the case of a Global Certificate which is not to be held under the new safekeeping structure ("**NSS**"), registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or a sub-custodian for the CMU Service and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common depository and/or the sub-custodian; or (b) in the case of a Global Certificate to be held under the NSS, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Note represented by a Restricted Global Certificate will be registered in the name of Cede & Co. as nominee for DTC and the relevant Restricted Global Certificate will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Notes represented by a Restricted Global Certificate may only be held through DTC at any time.

Currencies:

Notes may be denominated in euro, U.S. Dollars, pounds sterling, Yen, RMB, HKD, NOK, SEK, SGD, ZAR or in any other currency or currencies, subject to compliance with all

applicable legal and/or regulatory and/or central bank requirements.

Status of the Senior Notes:

The Notes of each Series issued on an unsubordinated basis ("**Senior Notes**") (and the Coupons relating thereto, if any) will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and, in the event of the winding up or administration of the Issuer will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law.

Status of the Tier 2 Capital Notes:

The Notes of each Series issued on a subordinated basis ("**Tier 2 Capital Notes**") (and the Coupons relating thereto, if any) will constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up or administration of the Issuer, the claims of the Trustee (on behalf of Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed), the Holders of Tier 2 Capital Notes and any related Coupons against the Issuer in respect of such Notes and Coupons (including any damages or other amounts (if payable)) shall (i) be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims in respect of Parity Obligations (as defined in the Trust Deed) and with the claims of all other subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Capital Notes; and (iii) rank senior to the Issuer's ordinary shares, preference shares and any junior subordinated obligations (including the Junior Obligations (as defined in the Trust Deed)) or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Tier 2 Capital Notes.

Issue Price:

Notes may be issued at any price on a fully paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealers at the time of issue in accordance with prevailing market conditions.

Specified Denominations:

The Notes may be issued in such denominations as may be specified in the relevant Final Terms, save that no Notes may be issued under the Programme which have a denomination of less than €100,000 (or its equivalent in any other currency at the date of issue).

Interest:

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate, a resetting rate or a floating rate (or a fixed/floating or floating/fixed rate) based upon (i) EURIBOR, LIBOR, SONIA, SOFR, BBSW, SHIBOR, CHIBOR, CNH HIBOR, TIBOR, STIBOR, SGD SOR, HIBOR, CDOR, NIBOR or JIBAR or (ii) a reference bond rate. In respect of each Tranche of Notes, the date from which interest becomes payable and the due dates for interest, the maturity date, the repayment procedures and (in respect of Notes other than Floating Rate Notes) an indication of yield will be specified in the relevant Final Terms.

Maturities:	Subject to all applicable legal and regulatory requirements, Notes may have any maturity subject to a minimum maturity of three months. Under current requirements, any Tier 2 Capital Notes shall have a minimum maturity of five years. Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or the equivalent in other currencies at the date of issue) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer. Such minimum maturities may be subject to increase or decrease from time to time as a result of changes in applicable legal or regulatory requirements.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.
Optional Redemption:	There will be no optional right to redeem Notes of any Series, except (i) for taxation reasons; (ii) where the relevant Final Terms provide for early redemption at the option of the Issuer; (iii) in the case of Senior Notes only, at the option of the relevant Noteholders and/or at the option of the Issuer due to a Loss Absorption Disqualification Event; and/or (iv) in the case of Tier 2 Capital Notes, for regulatory reasons.
Tax Redemption:	<p>Subject to certain conditions, the Notes may be redeemed at the Issuer's option in whole, but not in part, at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption if the Issuer determines that as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or a change in an official application of those laws or regulations on or after the Issue Date of the first Tranche of Notes, including a decision of any court or tribunal which becomes effective on or after the Issue Date of the first Tranche of Notes (and, in the event of the substitution of any subsidiary of the Issuer in place of the Issuer as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes, which becomes effective on or after the date of that entity's assumption of the Issuer's obligations):</p> <ul style="list-style-type: none"> (i) the Issuer has or will become obliged to pay certain additional amounts; or (ii) the Issuer would not be entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the value of the deduction would be materially reduced; (iii) the Issuer would not, as a result of the Notes being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Notes or any

similar system or systems having like effect as may from time to time exist);

- (iv) in the case of Tier 2 Capital Notes, the Issuer would, in the future, have to bring into account a taxable credit if the principal amount of the Notes were written down or converted; or
- (v) in the case of Tier 2 Capital Notes, the Issuer will have to treat the Notes of such Series or any part thereof as a derivative or an embedded derivative for United Kingdom tax purposes,

(each such change in tax law or regulation or the official application thereof, a "**Tax Event**"); and

in the case of each of (i), (ii), (iii), (iv) and (v), such consequences cannot be avoided by the Issuer taking reasonable measures available to it.

Regulatory Redemption:

Subject to certain conditions and in the case of Tier 2 Capital Notes only, the Tier 2 Capital Notes may be redeemed at the Issuer's option if there is a change in the regulatory classification of the relevant Tier 2 Capital Notes that occurs on or after the Issue Date of the first Tranche of the Tier 2 Capital Notes and that does, or would be likely to, result in the whole or any part of the outstanding aggregate principal amount of the Tier 2 Capital Notes at any time being excluded from or ceasing to count towards, the Tier 2 Capital of the Group (a "**Regulatory Event**"), in whole but not in part, at the relevant Optional Redemption Amount (Regulatory Event) together with any accrued but unpaid interest to the date fixed for redemption.

Loss Absorption Disqualification Event Redemption:

Subject to certain conditions and in the case of Senior Notes only, the Senior Notes may be redeemed at the Issuer's option if:

- (i) any Capital Regulations become effective with respect to the Issuer and/or the Group; or
- (ii) there is an amendment to, or change in, any Capital Regulation, or any change in the official application of any Capital Regulation, which becomes effective with respect to the Issuer and/or the Group (each of (i) or (ii) above, a "**Loss Absorption Regulations Event**"), after the Issue Date of the first Tranche of a Series of Senior Notes (or date of substitution of the Issuer, if applicable), if such Loss Absorption Regulations Event does, or would be likely to (in the opinion of the Issuer, the PRA or any other relevant national or European authority), result in the whole or any part of the outstanding aggregate principal amount of the relevant Series of Senior Notes at any time being excluded from or ceasing to count towards the Issuer's and/or the Group's own funds and eligible liabilities and/or loss absorbing capacity, in each case for the purposes of, and in accordance with, the relevant Capital Regulations ("**Loss Absorption Disqualification Event**"), in whole but not in part, at the relevant Optional Redemption Amount (Loss Absorption Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption. In addition, a

Loss Absorption Disqualification Event shall not occur if such whole or part of the outstanding principal amount of the relevant Series of Senior Notes is excluded from, or ceases to count towards, such own funds and eligible liabilities and/or loss absorbing capacity due to the remaining maturity of the Notes being less than the period prescribed by the relevant Capital Regulations.

Conditions to Redemption:	Notwithstanding any other provisions, the Issuer may redeem the Notes (and give notice thereof to the Holders) only if it has obtained the prior consent of the Prudential Regulation Authority (" PRA ") and/or any other relevant national or European authority (in either case, if such consent is then required by the Capital Regulations) for the redemption of the relevant Notes.
Negative Pledge:	None.
Cross Default:	None.
Taxation:	Except as otherwise specified in the relevant Final Terms, all payments in respect of Notes will be made free and clear of withholding taxes of the United Kingdom unless the withholding is required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	English Law.
Ratings:	<p>Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the ratings applicable to the Issuer, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, France, Japan, The People's Republic of China, Hong Kong, Norway, the Republic of Italy, the Republic of Singapore and Australia, see " <i>Subscription and Sale</i> " below.

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its operations that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Risks Relating to the Notes

Risks related to the structure of the Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain risks relating to the structure of the Notes:

Certain Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that due to a change in law the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions, subject to the prior consent of the PRA and/or any other relevant national or European authority (if such consent is then required by the Capital Regulations). Furthermore, the Issuer may be entitled to redeem the Notes if the tax treatment for the Issuer in respect of the Notes is negatively altered after their issue date or if a change in the regulatory classification of the relevant Tier 2 Capital Notes occurs on or after their issue date, in each case subject to the prior consent of the PRA and/or any other relevant national or European authority (if such consent is then required by the Capital Regulations).

The Issuer may also redeem a Series of Senior Notes upon the occurrence of certain regulatory events relating to certain minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments, subject to certain conditions, including obtaining the prior consent of the PRA and/or any other relevant national or European authority (if such consent is then required by the Capital Regulations).

On 23 November 2016, the European Commission published, among other proposals, a proposal to amend Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013 (as the same may be amended or replaced from time to time, the "**CRD IV Regulation**"). Such proposal includes certain requirements in respect of eligible liabilities, including a requirement for prior consent from the competent authority to an early redemption or purchase thereof. If the proposal is adopted, the granting of permission by the PRA (or any other relevant authority) to a request by the Issuer to redeem or repurchase the relevant Notes (including Senior Notes) could be subject to conditions similar to those currently set out in Articles 77 and 78 of the CRD IV Regulation, to the extent applicable to the relevant Notes. See "*Changes in law may adversely affect the rights of Holders*".

In addition, if in the case of any particular Tranche of Notes, the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances or at any time, subject to the prior consent of the PRA and/or any other relevant national or European authority (if such consent is then required by the Capital Regulations), the Issuer may be expected to choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to

reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Furthermore, unless, in the case of any particular Tranche of Senior Notes, the relevant Final Terms specify that the Notes are redeemable at the option of the Noteholders, Noteholders will have no right to request the redemption of the Notes and should not invest in the Notes in the expectation that the Issuer would exercise its option to redeem the Notes. Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, the regulatory capital requirements and the prevailing market conditions. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes until maturity.

Tier 2 Capital Notes are subordinated to most of the Issuer's liabilities

Tier 2 Capital Notes will constitute unsecured and subordinated obligations of the Issuer. On a winding-up or administration of the Issuer, all claims in respect of such Notes will rank junior to the claims of all Senior Creditors (as defined in the Conditions). On 19 December 2018, Her Majesty's Treasury published the Banks and Building Societies (Priorities on Insolvency) Order 2018 (the "**2018 Order**"), which implements Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of 15 May 2014, as amended ("**BRRD**") as regards the ranking of unsecured debt instruments in insolvency hierarchy. The 2018 Order splits a financial institution's non-preferential debts into classes, and provides that ordinary non-preferential debts (including Senior Notes) will rank ahead of secondary non-preferential debts and tertiary non-preferential debts. Tier 2 Capital Notes would constitute tertiary non-preferential debts under the terms of the 2018 Order, and therefore both ordinary and secondary non-preferential debts would continue to rank ahead of claims in respect of the Tier 2 Capital Notes.

If, on a winding-up or administration of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the holders of the Tier 2 Capital Notes will lose their entire investment in the Tier 2 Capital Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Tier 2 Capital Notes and all other claims that rank *pari passu* with the Tier 2 Capital Notes, holders of the Tier 2 Capital Notes will lose some (which may be substantially all) of their investment in the Tier 2 Capital Notes. See "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Notes*" below.

Holders of Tier 2 Capital Notes and certain Senior Notes will have limited remedies

Payment of principal and accrued but unpaid interest on the Tier 2 Capital Notes and the Senior Notes for which Condition 15(b) (*Events of Default – Restrictive Events of Default*) is specified as being applicable in the relevant Final Terms (the "**Restricted Events of Default Senior Notes**") shall be accelerated only in the event of a winding-up or administration involving the Issuer that constitutes a Winding-up Event. Under the terms of such Notes, a Winding-up Event results if either (i) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be organised) makes an order for its winding-up which is not successfully appealed within 30 days of the making of such order, (ii) the Issuer's shareholders adopt an effective resolution for its winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend. There is no right of acceleration in the case of non-payment of principal or interest on the Tier 2 Capital Notes or the Restricted Events of Default Senior Notes or of the Issuer's failure to perform any of its obligations under or in respect of such Notes.

The sole remedy against the Issuer available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under such Notes is, subject to certain conditions and to the provisions set forth in Condition 15 (*Events of Default*), for the Trustee to institute proceedings in England (or such other jurisdiction in which the Issuer may be organised) (but not elsewhere) for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the Issuer's liquidation or administration.

Although the Trustee may institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under such Notes or the Trust Deed (other than any payment obligation of the Issuer under or arising from such Notes or the Trust Deed, including, without limitation, payment of any principal or interest, excluding any amount due to the Trustee in respect of its fees and/or expenses) (referred to herein as "**Performance Obligations**"), the Trustee (acting on behalf of the Noteholders but not the Trustee acting in its personal capacity under the Trust Deed) and the Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of the Issuer and/or claiming such Monetary Judgment in an administration of the Issuer.

The remedies under the Tier 2 Capital Notes or the Restricted Events of Default Senior Notes are more limited than those typically available to the Issuer's unsubordinated creditors.

Waiver of set-off

The Holders of the Tier 2 Capital Notes and (if Senior Notes Waiver of Set-off is stated in the relevant Final Terms as being applicable) Senior Notes waive any right of set-off in relation to such Notes insofar as permitted by applicable law. Therefore, Holders of Tier 2 Capital Notes and Senior Notes (if applicable) will not be entitled (subject to applicable law) to set-off the Issuer's obligations under such Notes against obligations owed by them to the Issuer.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its other Notes.

The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Agent Bank on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

Risks relating to Notes which are linked to "benchmarks"

Interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

For example, the Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and has been in effect since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The Benchmark Regulation could have

a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level, or affect the volatility of, the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increase in regulatory scrutiny of benchmarks, could result in participants no longer submitting rates used for the calculation of such benchmarks or could otherwise increase the costs and risks of administering or participating in the setting of a benchmark and complying with any such regulations or requirements. For example, on 27 July 2017, the Chief Executive of the UK Financial Conduct Authority, which regulates the London Interbank Offered Rate ("**LIBOR**"), announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulation. The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom, the United States or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities -see "*The market continues to develop in relation to Notes that reference SONIA and SOFR*" below.

For Notes which are linked to any affected benchmark, uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to such benchmark may adversely affect such benchmark rates during the term of such Notes and the return on such Notes and the trading market for such Notes. The potential elimination of any benchmark, or changes in the manner of administration of any benchmark or the occurrence of any other event that the Issuer determines to be a Benchmark Event (as defined in the Conditions), or a determination by the Issuer that a Successor Rate (as defined in the Conditions) may be available, could require or result in an adjustment to the interest provisions of the Conditions as determined by an Independent Adviser or the Issuer (as further described in the Conditions), or result in other consequences, in respect of any Notes linked to such benchmark. The circumstances which can lead to the trigger of a Benchmark Event (as described in the Conditions) are beyond the Issuer's control and the subsequent use of a Successor Rate or an Alternative Benchmark Rate following such Benchmark Event may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or an Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Benchmark Rate or Adjustment Spread in accordance with the Conditions, the Issuer may have to exercise its discretion to determine (or to elect not to determine) a Successor Rate or an Alternative Benchmark Rate or Adjustment Spread, if applicable. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under Notes linked to a benchmark or could have a material adverse effect on the value or liquidity of, and the amount payable under such Notes. Investors should consider these matters when making their investment decision with respect to such Notes.

The market continues to develop in relation to Notes that reference SONIA and SOFR

On 29 November 2017, the Bank of England and the FCA announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

The Secured Overnight Financing Rate ("**SOFR**") is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities and a current preferred replacement rate to U.S. LIBOR. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

The market or a significant part thereof may adopt an application of SONIA and/or SOFR that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA or SOFR rate issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA or SOFR referenced Notes issued by it under the Programme. The development of Compounded Daily SONIA and Weighted Average SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA or SOFR-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA or Weighted Average SOFR is only capable of being determined at the end of the relevant Observation Period or on the SOFR Reset Date immediately prior to the first day of the relevant Suspension Period (as applicable and in each case as defined in the Conditions) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA or Weighted Average SOFR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-linked Notes, if Notes referencing Compounded Daily SONIA or Weighted Average SOFR become due and payable as a result of an event of default under Condition 15 (*Events of Default*), the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA or SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA or SOFR.

Since both SONIA and SOFR are relatively new market indices, Notes linked to SONIA or SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA or SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if SONIA or SOFR do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SONIA or SOFR may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA and/or SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing SONIA and/or SOFR, as the case may be. If the manner in which SONIA or SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

In respect of any Notes issued with a specific use of proceeds, such as a Green Note, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Final Terms relating to any specific Tranche of Notes may provide that the Issuer may use an amount equal to the net proceeds of the offer (as at the date of issuance of such Notes) to allocate an equivalent amount of funding to BBUKPLC in order that BBUKPLC may finance and/or refinance Eligible Mortgage Assets (as defined in the relevant Final Terms) ("**Green Notes**"). Prospective investors should have regard to the information in the relevant Final Terms and this Base Prospectus regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the

Green Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer that the allocation of such proceeds will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact related to the relevant Eligible Mortgage Assets.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or asset or as to what precise attributes are required for a particular project or asset to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change following an investment decision. Accordingly, no assurance is or can be given to investors that allocating an equivalent amount of the net proceeds to BBUKPLC for the financing and/or refinancing of any Eligible Mortgage Assets will meet or continue to meet on an ongoing basis any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled objectives.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any external party (whether or not solicited by the Issuer) which may be made available in connection with an issue of Green Notes and in particular with any Eligible Mortgage Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold the relevant Green Notes. Any such opinion or certification is only current as of the date that opinion or certification was initially issued and the criteria and/or considerations that underlie such opinion or certification provider may change at any time.

Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the relevant Green Notes. As at the date hereof, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Green Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact related to any Eligible Mortgage Assets.

Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any Green Notes or, if obtained, that any such listing or admission to trading will be maintained during the term of such Green Notes.

Whilst the Issuer will allocate the proceeds of any issue of Green Notes in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the use of the proceeds of such Green Notes for the allocation of an equivalent amount of funding to BBUKPLC for the financing and/or refinancing of any Eligible Mortgage Assets will be, or will be capable of being, implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly any proceeds of such Green Notes will be totally or partially allocated for the financing and/or refinancing of such Eligible Mortgage Assets as aforesaid. Nor can there be any assurance that such financing and/or refinancing will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the terms of the relevant Green Notes.

Any such event or failure to apply an amount equal to the amount of the proceeds of the issue (as at the date of issuance of any Green Notes) to the allocation of an equivalent amount of funding to BBUKPLC for the financing and/or refinancing of any Eligible Mortgage Assets as aforesaid and/or withdrawal or amendment of any external party opinion or certification (whether or not solicited by the Issuer), and/or the amendment of any criteria on which such opinion or certification was given, or any such external party opinion or certification stating that the Issuer is not complying or fulfilling relevant criteria, in whole or in part, with respect to any matters for which such opinion or certification is opining or certifying and/or the Green Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid, may have a material adverse effect on the value of such Green Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of that minimum Specified Denomination that are not integral multiples of that minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Certain Noteholders may be exposed to risks relating to Singapore taxation

Certain Notes to be issued from time to time under the Programme during the period from the date of this Base Prospectus to 31 December 2023 may be intended to be qualifying debt securities ("**QDS**") for the purposes of the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), subject to the fulfilment of certain conditions more particularly described in the section titled "*Other Tax Considerations – Singapore Taxation*".

However, no assurance is given that any such Notes would continue to be QDS or that the tax concessions and exemptions in connection therewith would apply throughout the tenure of such Notes should the relevant tax laws be amended or revoked at any time.

Risks relating to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries (including those of BBPLC, BBUKPLC, the group service company or any other present or future subsidiary) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated

The Issuer is a holding company that currently has no significant assets other than its loans to, and investments in, Group subsidiaries such as BBPLC, BBUKPLC, the group service company, the U.S. intermediate holding company (being a subsidiary of BBPLC) and any other present or future subsidiary, which means that if any such subsidiary is liquidated, the Issuer's right to participate in the assets of such subsidiary will depend upon the ranking of the Issuer's claims against such subsidiary according to the ordinary hierarchy of claims in insolvency. So, for example, insofar as the Issuer is a holder of ordinary shares in a Group subsidiary, the Issuer's recovery in the liquidation of such subsidiary will be subject to the prior claims of such subsidiary's third party creditors and preference shareholders (if any). To the extent the Issuer holds other claims against any Group subsidiary that are recognised to rank *pari passu* with any third party creditors' or preference shareholders' claims, such claims of the Issuer should in liquidation be treated *pari passu* with those third party claims.

As well as the risk of losses in the event of a Group subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down and conversion by statutory power or regulatory direction or if the subsidiary is otherwise subject to resolution proceedings. See "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could*

materially adversely affect the value of the Notes" below. The Issuer has in the past made, and may continue to make, loans to, and investments in, BBPLC, BBUKPLC and other Group subsidiaries, with the proceeds received from the Issuer's issuance of debt instruments. Such loans to, and investments made by, the Issuer in such subsidiary will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet regulatory capital requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary or upon regulatory direction would result in a write-down or conversion into equity of such loans and investments.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, any of its Group subsidiaries, including BBPLC and BBUKPLC, at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary. A restructuring of a loan or investment made by the Issuer in a Group subsidiary could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group subsidiary, and the inclusion of a mechanism that provides for a write-down and/or conversion into equity upon specified triggers or regulatory direction. Any restructuring of the Issuer's loans to, and investments in, any of the Group subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the Holders of the Notes.

The regulatory capital treatment, and otherwise the ranking in the ordinary insolvency hierarchy, of the Issuer's claims against a Group subsidiary will affect the extent to which the Issuer is exposed to losses if such subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities. In particular, the Banking Act 2009, as amended (the "**Banking Act**") specifies that the resolution powers should be applied in a manner such that losses are transferred to shareholders and creditors in an order which reflects the hierarchy of issued instruments under CRD IV (as defined in the Conditions) and which otherwise respects the hierarchy of claims in an ordinary insolvency, as described above. In general terms, the more junior in the capital structure the investments in, and loans made to, any Group subsidiary are, relative to third party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities.

Furthermore, as a result of the structural subordination of Notes (including Senior Notes) issued by the Issuer described above, if any Group subsidiary were to be wound up, liquidated or dissolved, (i) the Holders of Notes would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of the creditors (and holders of preference shares or other tier 1 capital instruments ranking ahead of any such entity's ordinary shares) of such subsidiary (such creditors and holders of preference shares may include the Issuer) ranking ahead of the holders of ordinary shares of such subsidiary. Similarly, if any of the Group subsidiaries were subject to resolution proceedings (i) the Holders of Notes would have no direct recourse against such subsidiary, and (ii) the Holders themselves may also be exposed to losses pursuant to the exercise by the relevant resolution authority of the stabilisation powers - see "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Notes*" below.

Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Notes

The majority of the requirements of the BRRD (including the bail-in tool) were implemented in the UK by way of amendments to the Banking Act. For more information on the bail-in tool, see "*The relevant UK resolution authority may exercise the bail-in tool in respect of the Issuer and the Notes, which may result in Holders losing some or all of their investment*" below.

On 23 November 2016, the European Commission published, among other proposals, proposals to amend the BRRD. Adoption of the proposals and publication in the Official Journal is anticipated by mid-2019 but there are still a number of outstanding issues and the technical and legal translation revision process still has to take place on all the issues agreed. Therefore, it is unclear what the effect of such proposals may be on the Group, the Issuer or the Notes. See "*Changes in law may adversely affect the rights of Holders*".

The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks or investment firms and certain of their affiliates (currently including the Issuer) in the event a bank or investment firm in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of the Notes.

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate as part of a special resolution regime (the "SRR"). These powers enable the relevant UK resolution authority to implement resolution measures with respect to a UK bank or investment firm and certain of its affiliates (currently including the Issuer) (each a "**relevant entity**") in circumstances in which the relevant UK resolution authority is satisfied that the resolution conditions are met. Such conditions include that a UK bank or investment firm is failing or is likely to fail to satisfy the FSMA (as defined above) threshold conditions for authorisation to carry on certain regulated activities (within the meaning of section 55B of the FSMA) or, in the case of a UK banking group company that is an EEA or third country institution or investment firm, that the relevant EEA or third country relevant authority is satisfied that the resolution conditions are met in respect of such entity.

The SRR consists of five stabilisation options: (a) private sector transfer of all or part of the business or shares of the relevant entity, (b) transfer of all or part of the business of the relevant entity to a "bridge bank" established by the Bank of England, (c) transfer to an asset management vehicle wholly or partly owned by HM Treasury or the Bank of England, (d) the bail-in tool (as described below) and (e) temporary public ownership (nationalisation).

The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant UK resolution authority to disapply or modify laws in the UK (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

Holder should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the relevant UK resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool (as described below).

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Holders losing some or all of the value of their investment in the Notes.

The SRR is designed to be triggered prior to insolvency of the Issuer, and Holders may not be able to anticipate the exercise of any resolution power (including the bail-in tool) by the relevant UK resolution authority.

The stabilisation options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

Although the Banking Act provides specific conditions to the exercise of any resolution powers and, furthermore, the European Banking Authority's guidelines published in May 2015 set out the objective elements for the resolution authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how the relevant UK resolution authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power.

The relevant UK resolution authority is also not required to provide any advance notice to Holders of its decision to exercise any resolution power. Therefore, Holders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Notes.

Holders may have only very limited rights to challenge the exercise of any resolution powers (including the UK bail-in tool) by the relevant UK resolution authority.

Holders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant UK resolution authority to exercise its resolution powers (including the UK bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise.

The relevant UK resolution authority may exercise the bail-in tool in respect of the Issuer and the Notes, which may result in Holders losing some or all of their investment.

Where the relevant statutory conditions for use of the bail-in tool have been met, the relevant UK resolution authority would be expected to exercise these powers without the consent of the Holders. Subject to certain exemptions set out in the BRRD (including secured liabilities, bank deposits guaranteed under an EU member state's deposit guarantee scheme, liabilities arising by virtue of the holding of client money, liabilities to other non-group banks or investment firms that have an original maturity of fewer than seven days and certain other exceptions), it is intended that all liabilities of institutions and/or their EEA parent holding companies should potentially be within scope of the bail-in tool. Accordingly, any such exercise of the bail-in tool in respect of the Issuer and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Notes.

The Banking Act specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD IV and otherwise respecting the hierarchy of claims in an ordinary insolvency. In addition, the bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity. Among other proposals, the amendments to BRRD and CRD IV Regulation proposed by the European Commission on 23 November 2016 relate to the ranking of unsecured debt instruments on insolvency hierarchy which resulted in the adoption of EU directive 2017/2399 on 12 December 2017 (the "**Amendment Directive**"). The Amendment Directive introduces a new layer in insolvency for ordinary, long-term, unsecured debt-instruments issued by credit institutions and financial institutions within their consolidation perimeter that are established within the EU. In the UK, the 2018 Order referred to above was published on 19 December 2018 and sets out the new insolvency hierarchy. Further, the Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"), which is being implemented in the EU and the UK, will apply to EU and UK financial institutions and cover capital and debt instruments that are capable of being written-down or converted to equity in order to prevent a financial institution from failing in a crisis. The Bank of England has set interim MREL compliance dates of 1 January 2019 and 1 January 2020, and a final MREL compliance date of 1 January 2022. The other amendments to BRRD and CRD IV Regulation are still in draft form and subject to the EU legislative process, therefore it is unclear what the effect of such amendments may be on the Group, the Issuer or the Notes.

The exercise of the bail-in tool in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Holders losing some or all of the value of their investment in such Notes. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Holders in the resolution and there can be no assurance that Holders would recover such compensation promptly.

Mandatory write-down and conversion of capital instruments may affect the Tier 2 Capital Notes.

In addition, the Banking Act requires the relevant UK resolution authority to permanently write-down, or convert into equity, tier 1 capital instruments and tier 2 capital instruments (such as the Tier 2 Capital Notes) at the point of non-viability of the relevant entity and before, or together with, the exercise of any stabilisation option (except in the case where the bail-in tool is to be utilised for other liabilities, in which case such capital instrument would be written down or converted into equity pursuant to the exercise of the bail-in tool, as described above, rather than the mandatory write-down and conversion power applicable only to capital instruments).

For the purposes of the application of such mandatory write-down and conversion power, the point of non-viability is the point at which the relevant UK resolution authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity will no longer be viable unless the relevant capital instruments are written down or converted or the relevant entity requires extraordinary public support without which, the relevant UK resolution authority determines that the relevant entity would no longer be viable.

Holders of Tier 2 Capital Notes may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such Holders), which may result in such Holders losing some or all of their investment. The "no creditor worse off" safeguard would not apply in relation to an application of such powers in circumstances where resolution powers are not also exercised.

The exercise of such mandatory write-down and conversion power under the Banking Act or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Tier 2 Capital Notes, the price or value of their investment in such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes.

The proposed Resolvability Assessment Framework could increase compliance costs and impact market perceptions of the Issuer and/or the Group and in turn affect the value of the Notes

The BRRD contains requirements relating to recovery and resolution plans, early supervisory interventions and the resolution of firms (including the introduction of a bail-in tool).

The BRRD (including the bail-in tool), and the associated FCA and PRA rules, have been implemented in the UK. The Bank of England and the PRA are consulting on a resolvability assessment framework (the "**Resolvability Assessment Framework**"), with full implementation expected by 2021.

The Bank of England has made a commitment to parliament that major UK banks will be fully resolvable by 2022. To satisfy this commitment, the PRA and the Bank of England have published consultation papers setting out the proposed the Resolvability Assessment Framework for UK banks, with full implementation of the framework required by 2021. The Bank of England consultation paper sets out how the Bank of England proposes to assess resolvability, against which it will perform its assurance and publicly disclose the result. The PRA consultation paper contains proposed requirements for banks to carry out realistic assessments of their preparations for resolution, identifying any risks to implementation and their plans to address these. Banks will be required to submit their assessments of their preparation for resolution to the PRA by September 2020 (and every two years following), and to publicly disclose a summary of that assessment from the end of May 2021. This would apply to the largest UK banks with at least £50 billion in retail deposits on an individual or consolidated basis including the Group. As part of this framework, the Bank of England issued its final statement of policy on valuation capabilities to support resolvability in June 2018. Compliance with the policy is required by January 2021. In October 2018, the Implementing Technical Standards ("**ITS**") with regard to procedures and standard forms and templates, for the provision of information for the purposes of resolution plans for credit institutions, was published in the Official Journal of the European Union. The PRA have stated all non-simplified obligation firms such as the Group will be required to submit the templates on an annual basis in accordance with the ITS. The new rules on the Resolvability Assessment Framework may increase compliance costs and may also affect the way in which the Issuer and/or the Group is perceived by the market which in turn may affect the value of the Notes.

There is no restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee

Subject to complying with applicable regulatory requirements in respect of the Group's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Holders on a liquidation or winding-up of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes. In addition, the Notes do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Notes or securities with similar or different provisions to those described herein.

Changes in law may adversely affect the rights of Holders

Changes in law after the date hereof may affect the rights of Holders as well as the market value of the Notes. The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In addition, any change in law or regulation that triggers a Regulatory Event, a Tax Event or Loss Absorption Disqualification Event would entitle the Issuer, at its option (subject to, amongst other things, receipt of the prior consent of the PRA and/or any other relevant national or European authority (if such consent is then required by the Capital Regulations)), to redeem the Notes, in whole but not in part, as provided under Conditions 10(b) (*Redemption and Purchase – Redemption for tax reasons*), 10(f) (*Redemption and Purchase – Regulatory Event Redemption of Tier 2 Capital Notes*) and 10(g) (*Redemption and Purchase – Loss Absorption Disqualification Event Redemption of Senior Notes*).

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes, including those described above, could have on the Notes.

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies – see pages 86 to 87 of the 2018 Annual Report for more detail. Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's, and therefore the Issuer's, performance and financial condition. It is not yet possible to predict the detail of such legislation or regulatory rulemaking or the ultimate consequences to the Group or the Holders, which could be material to the rights of Holders of the Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. For example, on 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the "**EU Banking Reforms**") which proposals amend many of the existing provisions set forth in CRD IV and the BRRD. On 25 May 2018, the Council of the EU agreed its stance on the EU Banking Reforms and asked the presidency to start negotiations with the European Parliament. The European Parliament confirmed its position on the EU Banking Reforms at its June 2018 plenary. The European Parliament and Council of the EU reached agreement on the main elements of the EU Banking Reforms in late 2018, which were endorsed by the Committee of Permanent Representatives ("**COREPER**") on 30 November 2018 and approved by the Economic and Financial Affairs Council on 4 December 2018. In February 2019, COREPER endorsed the positions agreed with the European Parliament on all elements of the EU Banking Reforms. The agreed text remains subject to formal adoption by the European Parliament and Council of the EU, which is expected to occur during 2019. Until such time as the proposals are formally approved by the European Parliament and Council of the EU, there can be no assurance as to whether, or when, the proposed amendments will be adopted and whether they will be adopted in the manner as currently proposed and therefore it is uncertain how they will affect the Issuer, the Group or the holders of the Notes.

A downgrade of the credit rating assigned by any credit rating agency to the Issuer or, if applicable, to the Notes could adversely affect the liquidity or market value of the Notes. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies

Tranches of Notes issued under the Programme may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that any Notes issued under the Programme are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or, if applicable, the Notes may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors

which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; the implementation of structural reform; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Notes on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Notes (whether or not the Notes had an assigned rating prior to such event).

In certain circumstances payments on or with respect to the Notes may be subject to U.S. withholding tax under FATCA

The Hiring Incentives to Restore Employment Act was signed into U.S. law on 18 March 2010 and includes Foreign Account Tax Compliance Act provisions generally known as "FATCA".

FATCA aims to prevent U.S. tax evasion by requiring foreign (non-U.S.) financial institutions to comply with FATCA and report to the U.S. Internal Revenue Service information on financial accounts held outside the United States by certain U.S. investors (both individuals and entities), U.S. owned non-U.S. investors and non-U.S. financial institutions.

Non-U.S. financial institutions that do not comply with the FATCA regime are subject to a U.S. tax withholding of 30 per cent. on U.S. source income (including interest and dividends).

The United States has entered into Intergovernmental Agreements ("**IGA**") with other jurisdictions to ease the implementation of FATCA, and financial institutions in those Intergovernmental Agreement jurisdictions will be required to comply with FATCA under local law.

Under the UK / U.S. IGA, which was agreed on 12 September 2012, the Issuer is not required to subject non-U.S. source payments made on or with respect to the Notes to withholding under FATCA. An investor should be aware that if any payments in relation to a Note were subject to withholding or deduction under FATCA, the Issuer would not have an obligation to pay any additional amounts in relation to such withholding or deduction in accordance with Condition 14 (*Taxation*) of the Notes. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

Investors to rely on the procedures of Euroclear, Clearstream, Luxembourg, the CMU Service and DTC for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates which may be deposited with a common depository for Euroclear and Clearstream Luxembourg, with DTC or lodged with the CMU Service (each of Euroclear, Clearstream, Luxembourg, DTC and the CMU Service, a "**Clearing System**"). If the Global Notes are NGN or if the Unrestricted Global Certificates are to be held under the NSS, they will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg and, in the case of Restricted Global Certificates will be deposited with a custodian for and registered in the name of a nominee of DTC. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System will maintain records of the beneficial interests in the Global Notes or, as the case may be, Global Certificates. While the Notes are represented by one or more Global Notes, or as the case may be, Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System or, in the case of Restricted Global Certificates, DTC.

While the Notes are represented by one or more Global Notes or, as the case may be, Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or, for Global Notes that are NGN and Global Certificates to be held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg or, as appropriate, the Custodian for DTC, for distribution to their account holders or in the case of Notes to be cleared through the CMU Service to the person for whose account(s) interests in such Global Notes or Global Certificates are credited as being held by the CMU Service in accordance with the CMU Rules. A holder of a beneficial interest in a Global Note or Unrestricted Global Certificate must rely on the procedures of the relevant Clearing System or, in the case of Restricted Global Certificates, DTC, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Restricted Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Conditions which, in each case, in the opinion of the Trustee is not materially prejudicial to the interest of the Noteholders or, in the case of a modification, in the opinion of the Trustee is of a formal, minor or technical nature or to correct a manifest error (except that the provisions relating to the Tier 2 Capital Notes shall only be capable of modification, waiver or substitution if such modification, waiver or substitution is in accordance with all other rules and requirements of the PRA applicable from time to time); or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such; or (iv) the substitution of any Subsidiary of the Issuer as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 19 (*Meetings of Noteholders; Modification and Waiver; Substitution*) of the Conditions.

In addition, pursuant to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes or Reset Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Trustee or the Noteholders.

Risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There may not be any active trading market for the Notes

The Notes issued under the Programme will be a new issue of Notes which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to trading on the London Stock Exchange, if so specified in the relevant Final Terms, there can be no assurance that such application will be accepted, that the Notes will be so admitted, or that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Notes. In addition, liquidity may be limited if large allocations of a particular Tranche of Notes are made to a limited number of investors.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by the Issuer is influenced by economic, political and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates. If the secondary market for the Notes is limited, there may be few buyers and this may reduce the relevant market price of the Notes. There can be no assurance that events in the United Kingdom or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect on the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency- equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes, and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that the subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Risks relating to Notes denominated in Renminbi

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. A description of risks which may be relevant to an investor in Renminbi Notes are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being developed.

Although from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross- border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be

repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the People's Bank of China ("PBoC") has entered into agreements (the "Settlement Arrangements") on the clearing of Renminbi business with financial institutions (the "Renminbi Clearing Banks") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks have only limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. Dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in the Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depository or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the relevant Final Terms, (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU Service, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the relevant Final Terms in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident Holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of the PRC

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, their ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the PRC Government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Risks relating to the Issuer and the Group

For risks relating to the Issuer and the Group and their impact, see the section entitled "*Risk Review – Material existing and emerging risks*" on pages 85 to 90 of the 2018 Annual Report (as defined below), which is incorporated by reference herein.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the FCA and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the sections set out below from the Annual Report of the Issuer, as filed with the SEC on Form 20-F on 21 February 2019 containing the audited consolidated financial statements of the Issuer and the independent auditor's report thereon, in respect of the financial years ended 31 December 2018 and 31 December 2017 (the "**2018 Annual Report**"):

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- (b) the sections set out below from the Annual Report of the Issuer, as filed with the SEC on Form 20-F on 22 February 2018 containing the audited consolidated financial statements of the Issuer and the independent auditor's report thereon, in respect of the financial years ended 31 December 2017 and 31 December 2016 (together with the 2018 Annual Report, the "**Annual Reports**"):

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- (c) the terms and conditions set out on pages 35 to 76 of the base prospectus dated 1 March 2018 (the "**2018 Base Prospectus**") (the "**2018 Conditions**"), the terms and conditions set out on pages 31 to 68 of the base prospectus dated 28 February 2017 (the "**2017 Base Prospectus**") (the "**2017 Conditions**"), the 2017 Conditions, as amended and supplemented in accordance with "*Annex A Terms and Conditions*" on pages 6 to 9 of supplement number 2 to the 2017 Base Prospectus and dated 31 July 2017 (the "**2017 Amended Conditions**"), the terms and conditions set out on pages 30 to 66 of the base prospectus dated 3 August 2016 (the "**2016 Conditions**"), pages 32 to 66 of the base prospectus dated 4 August 2015 (the "**2015 Conditions**") and pages 52 to 85 of the base prospectus dated 13 August 2014 (the "**2014 Conditions**"), each relating to the Programme under the heading "*Conditions of the Notes*";
- (d) the 2017 Amended Conditions as amended and/or supplemented by Part A – Contractual Terms and the Schedule to the Final Terms in a drawdown prospectus dated 21 November 2017 (the "**November 2017 Conditions**"); and
- (e) the 2016 Conditions as amended and/or supplemented by Part A – Contractual Terms and the Schedule to the Final Terms in a drawdown prospectus dated 15 January 2018 (the "**January 2018 Conditions**").

The above documents may be inspected as described in paragraph 6 of "*General Information*" herein. The documents listed above that have been filed with the SEC, are available on the SEC's website at <http://www.sec.gov/cgi-bin/browse-edgar?company=barclays+plc&owner=exclude&action=getcompany>. The documents listed above under (c) to (e) are available at <https://home.barclays/investor-relations>. Any information incorporated by reference in the documents specified above does not form part of this Base Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant for prospective investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in this Base Prospectus.

The Issuer has applied IFRS as issued by the International Accounting Standards Board and as adopted by the EU in the financial statements incorporated by reference above. A summary of the significant accounting policies for the Issuer is included in the 2018 Annual Report.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document containing the necessary information relating to the Issuer and a securities note containing the necessary information relating to the relevant Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or a sub-custodian for the CMU Service and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the "**ECB**") announced that notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg from 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or a successor provision) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or a successor provision) (the "**TEFRA D Rules**") are applicable in relation to the Notes or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery (free of charge to the bearer) of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange. In the case of the CMU Service, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report) (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service have provided certification of non-U.S. beneficial ownership.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Bearer Notes in definitive form ("**Definitive Notes**") not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

In relation to any Notes issued with a denomination of EUR100,000 (or equivalent) and integral multiples of EUR1,000 (or equivalent), the Temporary Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances described above.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to (or to the order of) the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent or the CMU Lodging and Paying Agent (as the case may be) within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (a) Euroclear, Clearstream, Luxembourg, the CMU Service or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business;
 - (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs;
- (iv) if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the Issuer or any of the Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form.

In relation to any Notes issued with a denomination of EUR100,000 (or equivalent) and integral multiples of EUR1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances described above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to (or to the order of) the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the

Principal Paying Agent or the CMU Lodging and Paying Agent (as the case may be) within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Bearer Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

- (i) individual note certificates in registered form ("**Individual Certificates**"); or
- (ii) one or more unrestricted global note certificates ("**Unrestricted Global Certificate(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Registered Notes**") and/or one or more restricted global note certificates ("**Restricted Global Certificate(s)**") in the case of Registered Notes sold to QIBs in reliance on Rule 144A ("**Restricted Registered Notes**"),

in each case as specified in the relevant Final Terms. A certificate ("**Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. References in this Base Prospectus to "**Global Certificates**" shall be construed as a reference to Unrestricted Global Certificates and/or Restricted Global Certificates.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that notes to be held under the NSS would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the Eurosystem, subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg from 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the NSS is used.

Each Note represented by an Unrestricted Global Certificate will either be: (a) in the case of a Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or the HKMA in its capacity as operator of the CMU Service and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common depositary or a sub-custodian for the CMU Service; or (b) in the case of a Certificate to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Unrestricted Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Note represented by a Restricted Global Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the relevant Final Terms) as nominee for DTC and the relevant Restricted Global Certificate will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Notes represented by a Restricted Global Certificate may only be held through DTC at any time.

If the relevant Final Terms specifies the form of Notes as being "Individual Certificates", then the Notes will at all times be represented by Individual Certificates issued to each Noteholder in respect of their respective holdings.

Global Certificate exchangeable for Individual Certificates

If the relevant Final Terms specifies the form of Notes as being "Global Certificate exchangeable for Individual Certificates", then the Notes will initially be represented by one or more Global Certificates each of which will be exchangeable in whole, but not in part, for Individual Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Certificate", then:
 - (a) in the case of any Global Certificate held by or on behalf of DTC, if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC;
 - (b) in the case of any Unrestricted Global Certificate, if Euroclear, Clearstream, Luxembourg, the CMU Service or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business;
 - (c) in any case, if any of the circumstances described in Condition 15 (*Events of Default*) occurs; or
 - (d) if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the Issuer or any of the Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form.

Whenever a Global Certificate is to be exchanged for Individual Certificates, each person having an interest in a Global Certificate must provide the relevant Registrar (through the relevant clearing system) with such information as the Issuer and the relevant Registrar may require to complete and deliver Individual Certificates (including the name and address of each person in which the Notes represented by the Individual Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Certificate is to be exchanged for Individual Certificates, each person having an interest in the Restricted Global Certificate must provide the relevant Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange; or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Certificates issued in exchange for interests in the Restricted Global Certificate will bear the legends and be subject to the transfer restrictions set out under "*Transfer Restrictions*".

Whenever a Global Certificate is to be exchanged for Individual Certificates, the Issuer shall procure that Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the

Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate to the relevant Registrar of such information as is required to complete and deliver such Individual Certificates against the surrender of the Global Certificate at the specified office of the relevant Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the relevant Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Registered Notes

The terms and conditions applicable to any Individual Certificate will be endorsed on that Individual Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

CMU Service

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular the HKMA will not obtain certificates of non U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU Service will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Summary of Provisions relating to the Notes while in Global Form

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions to "**Noteholder**" or "**Holder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depository or a common depository and/or a sub-custodian for the CMU Service, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository, common depository, sub-custodian or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by one or more Global Certificates, references in the Conditions to "**Noteholder**" or "**Holder**" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which (a) in the case of a Restricted Global Certificate held by or on behalf of DTC, will be Cede & Co. (or such other entity as is specified in the relevant Final Terms) as nominee for DTC; and (b) in the case of any Unrestricted Global Certificate which is held by or on behalf of a depository or a common depository or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or a sub-custodian for the CMU Service and/or any other relevant

clearing system, will be that depositary or sub-custodian or common depositary or common safekeeper or a nominee for that depositary or common depositary or sub-custodian or common safekeeper, as the case may be.

Each of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Certificate (each an "**Accountholder**") must look solely to DTC, Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Certificate.

If a Global Note or a Global Certificate is lodged with a sub-custodian for the CMU Service or registered with the HKMA in its capacity as operator of the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules shall be the only person(s) entitled or in the case of Registered Notes, directed by the registered holder as entitled on its behalf to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

Transfers of Interests in Global Notes and Global Certificates

Transfers of interests in Global Notes and Global Certificates within DTC, Euroclear and Clearstream, Luxembourg, the CMU Service or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Trustee, the Registrars, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any of DTC, Euroclear and Clearstream, Luxembourg, the CMU Service or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Certificate or for maintaining, supervising or reviewing any of the records of DTC, Euroclear and Clearstream, Luxembourg, the CMU Service or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Certificate representing such interest.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer Restrictions*", transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other will be effected by the relevant clearing systems in accordance with their respective rules and through action taken by the DTC Custodian, the relevant Registrar and the Principal Paying Agent.

On or after the issue date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other, will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Principal Paying Agent, the DTC Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer; and (ii) two business days after receipt by the Principal Paying Agent or the relevant Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately. The customary arrangements for delivery versus payment between Euroclear and Clearstream, Luxembourg account holders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Upon the issue of a Restricted Global Certificate to be held by or on behalf of DTC, DTC or the DTC Custodian will credit the respective nominal amounts of the individual beneficial interests represented by such Global Certificate to the account of DTC participants. Ownership of beneficial interests in such Global Certificate will be held through participants of DTC, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in such Global Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes represented by a Global Certificate held by or on behalf of DTC (including, without limitation, the presentation of such Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in such Global Certificate are credited, and only in respect of such portion of the aggregate nominal amount of such Global Certificate as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the relevant Global Certificate for Individual Certificates (which will bear the relevant legends set out in "*Transfer Restrictions*").

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Certificates among participants and account holders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrars, the Dealers or the Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Certificate is lodged with DTC, Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions applicable to Global Notes

Each Global Note and Global Certificate will contain provisions which modify the Conditions as they apply to the Global Note or Global Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Certificate which, according to the Conditions, require presentation and/or surrender of a Note, Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: in the case of a Global Note or a Global Certificate, shall be if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the relevant Final Terms; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Certificate will be made to the person, being the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business.

CMU Service – Bearer Notes: Payments of principal and interest in respect of Global Notes held in the CMU Service will be made to the Relevant Person(s) (as defined below). In this paragraph, "**Relevant Person(s)**" means the person(s) for whose account(s) interests in the relevant Global Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) one business day prior to the relevant payment date. Payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

CMU Service - Registered Notes: Payments of principal and interest in respect of Global Certificates held in the CMU Service will be made to the Relevant Person(s) (as defined below). In this paragraph, "**Relevant Person(s)**" means the person(s) for whose account(s) interests in the relevant Global Certificate are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) one business day prior to the relevant payment date. Payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*) the bearer of a Permanent Global Note or the holder of a Global Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service (to be reflected in the records of DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by a Global Note or a Global Certificate and the Global Note, or the Global Certificate is, (i) registered in the name of DTC's nominee or deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (other than the CMU Service, in respect of which see (ii) below) or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 21 (*Notices*) on the date of delivery to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or (ii) deposited with the CMU Service, notices to the holders of the Notes of the relevant Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

Eurosystem Eligibility

If the Global Notes or Global Certificates are stated in the relevant Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), on or prior to the original issue date of the Tranche, the Global Notes or Global Certificates will be delivered to a common safekeeper and the relevant Final Terms

will set out whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem ("**Eurosystem eligible collateral**").

Depositing the Global Notes or the Global Certificates intended to be held as Eurosystem eligible collateral with a common safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.

In the case of Notes issued in NGN form or to be held under the NSS (as the case may be) which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper.

Pursuant to Article 81a of Guideline (EU) 2015/510 (as amended), (i) unsecured bank bonds ("**UBBs**") that are subject to statutory, contractual or structural subordination (for example, UBBs issued by bank holding companies such as the Issuer) became ineligible as collateral in the first quarter of 2018 and (ii) UBBs that were eligible as collateral but no longer fulfil the new eligibility criteria have been ineligible as collateral since 1 January 2019.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with Part A of the relevant Final Terms, shall be applicable to Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms, or (ii) these terms and conditions as so completed shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in the terms and conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on Notes in definitive form or Certificates (as the case may be). The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Forms of the Notes — Summary of Provisions Relating to the Notes while in Global Form" above. The wording appearing in italics below is included for disclosure purposes only and does not form part of the terms and conditions of the Notes.

1. Introduction

This Note is one of a series (each a "**Series**") issued pursuant to the Debt Issuance Programme (the "**Programme**") established by Barclays Bank PLC (the "**BBPLC**"), Barclays Overseas Capital Corporation B.V. ("**BOCC**") and Barclays Overseas Investment Company B.V. ("**BOIC**") on 10 October 1995. Barclays PLC (the "**Issuer**") was added as an issuer under the Programme on 9 June 2008. BOCC, BOIC and BBPLC are no longer issuers under the Programme. This Note is constituted by a Trust Deed dated 24 May 2005 as most recently amended and restated on or about 5 March 2019 (as further amended, restated, modified and/or supplemented from time to time, the "**Trust Deed**") between, *inter alios*, the Issuer and The Bank of New York Mellon, London Branch (the "**Trustee**" which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 10 October 1995, as most recently amended and restated on or about 5 March 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") made between, *inter alios*, the Issuer, the ICSD Registrar (the "**ICSD Registrar**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the ICSD Paying Agent (the "**ICSD Paying Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the ICSD Transfer Agent (the "**ICSD Transfer Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the Principal Paying Agent (the "**Principal Paying Agent**" which expression shall wherever the context so admits include its successors as such, and, together with the ICSD Paying Agent, the CMU Lodging and Paying Agent and any successor and the other transfer and paying agent(s) appointed in respect of any Notes, the "**Paying Agents**"), the Agent Bank (the "**Agent Bank**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the Foreign Exchange Agent (the "**Foreign Exchange Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the CMU Lodging and Paying Agent (the "**CMU Lodging and Paying Agent**", which expression shall wherever the context so admits include its successors as such in respect of any Notes), the CMU Transfer Agent (the "**CMU Transfer Agent**", which expression shall wherever the context so admits include its successors as such in respect of any Notes), the CMU Registrar (the "**CMU Registrar**", which expression shall wherever the context so admits include its successors as such in respect of any Notes to be held in the CMU Service and, together with the ICSD Registrar and any successor and the other registrars appointed in respect of any Notes, the "**Registrars**") each named therein and the Trustee. The initial Paying Agents and the initial Agent Bank are named below. The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during normal business hours at the office for the time being of the Principal Paying Agent (being at 5 March 2019, One Canada Square, London E14 5AL, United Kingdom). For the purpose of these Conditions, all references to the Principal Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

Holders of Notes and, in relation to any Series of Bearer Notes, any coupons ("**Coupons**") or talons for further Coupons ("**Talons**") appertaining thereto are entitled to the benefit of, are bound by, and will be deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

The term "**Notes**" means debt instruments, by whatever name called, issued under the Programme. The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Notes issued under the Programme are issued in Series and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of the relevant final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions.

2. **Interpretation**

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**BBSW**" means the Australian Bank Bill Swap Rate;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments generally in London and in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong, London and in each (if any) Additional Business Centre and are not authorised or obligated by law or executive order to be closed; and
- (c) in relation to any sum payable in a currency other than euro or Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following

day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Capital Regulations**" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (i) the PRA and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organised or domiciled) and applicable to the Group, including, as at the date hereof, CRD IV and related technical standards;

"**CDOR**" means the Canadian inter-bank offered rate;

"**CHIBOR**" means the China inter-bank offered rate;

"**CNH HIBOR**" means the CNH Hong Kong interbank offered rate;

"**CMU Service**" means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Couponholders**" means the holders of the Coupons (whether or not attached to the relevant Notes);

"**CRD IV**" means the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time, and the CRD IV Regulation;

"**CRD IV Regulation**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time;

"DA Selected Bond" means the selected government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable) as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (f) if "30E/360" or "Eurobond Basis" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if "30E/360 (ISDA)" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from (and including) the first day of the Calculation Period to (but excluding) the last day of the Calculation Period;

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**First Margin**" means the margin applicable to the Mid-Swap Rate or the Reset Reference Bond (as applicable) specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 6 (*Reset Note Provisions*), the rate of interest determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin applicable in respect of such Reset Reference Rate;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Fixed Rate Note**" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"**Floating Rate Note**" means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or 12 months or at such other intervals as may

be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Gross Redemption Yield" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Issuer or the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper *"Formulae for Calculating Gilt Prices from Yields"*, page 5, Section One: Price/Yield Formulae *"Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date"* (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable);

"Group" means the Issuer and its consolidated subsidiaries;

"HIBOR" means the Hong Kong inter-bank offered rate;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Initial Rate of Interest" has the meaning specified in the relevant Final Terms;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" shall mean the date specified as such in the relevant Final Terms, or if none is so specified:

- (a) if the Reference Rate is LIBOR, the second London business day prior to the start of each Interest Period;
- (b) if the Reference Rate is EURIBOR, the second day on which TARGET2 is open prior to the start of each Interest Period;
- (c) if the Reference Rate is BBSW, the first day of each Interest Period;
- (d) if the Reference Rate is SHIBOR, the first day of each Interest Period;
- (e) if the Reference Rate is CHIBOR, the first day of each Interest Period;
- (f) if the Reference Rate is CNH HIBOR, the second day on which Hong Kong is open prior to the start of each Interest Period;
- (g) if the Reference Rate is TIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Tokyo prior to the start of each Interest Period;
- (h) if the Reference Rate is STIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period;

- (i) if the Reference Rate is SGD SOR, the second day on which Singapore is open prior to the start of each Interest Period;
- (j) if the Reference Rate is HIBOR, the first day of each Interest Period;
- (k) if the Reference Rate is CDOR, the first day of each Interest Period;
- (l) if the Reference Rate is NIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period; and
- (m) if the Reference Rate is JIBAR, the first Johannesburg business day of the relevant Interest Period.

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in the relevant Final Terms (each such date a **"Specified Interest Payment Date"**) and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Benchmarks Supplement" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and, if specified in the relevant Final Terms, as supplemented by any applicable supplement to the ISDA Definitions), as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"JIBAR" means the Johannesburg interbank agreed rate;

"LIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

"Loss Absorption Disqualification Event" means the whole or any part of the outstanding aggregate principal amount of the relevant Series of Senior Notes at any time being excluded from or ceasing to count towards the Issuer's and/or the Group's own funds

and eligible liabilities and/or loss absorbing capacity, in each case for the purposes of, and in accordance with, the relevant Capital Regulations; provided that a Loss Absorption Disqualification Event shall not occur if such whole or part of the outstanding principal amount of the relevant Series of Senior Notes is excluded from, or ceases to count towards, such own funds and eligible liabilities and/or loss absorbing capacity due to the remaining maturity of the Notes being less than the period prescribed by the relevant Capital Regulations;

"Loss Absorption Regulations Event" means that:

- (i) any Capital Regulations become effective with respect to the Issuer and/or the Group; or
- (ii) there is an amendment to, or change in, any Capital Regulation, or any change in the official application of any Capital Regulation, which becomes effective with respect to the Issuer and/or the Group;

"Make Whole Redemption Price" has the meaning given in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Rate of Interest" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Mid-Swap Maturity" has the meaning given in the relevant Final Terms;

"Mid-Market Swap Rate" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Issuer) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Issuer);

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or the Reference Rate as specified in the relevant Final Terms;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 6(e) (*Reset Note Provisions – Fallbacks*), either:

- (a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appears on the Relevant Screen Page; or

- (b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appear on the Relevant Screen Page,

in either case, as at approximately the Reset Determination Time, all as determined by the Agent Bank;

"**Minimum Rate of Interest**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**NIBOR**" means the Oslo inter-bank offered rate;

"**Non-Sterling Make Whole Redemption Amount**" has the meaning given in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Loss Absorption Disqualification Event)**" means, in respect of any Senior Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Regulatory Event)**" means, in respect of any Tier 2 Capital Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day (other than a Saturday, Sunday or public holiday) which is:
 - (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies, or as the case may be, the CMU Lodging and Paying Agent has its Specified Office or (b) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be, has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

- (b) if the currency of payment is not euro, any day (other than a Saturday, Sunday or public holiday) which is:
- (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies, or as the case may be, the CMU Lodging and Paying Agent has its Specified Office or (b) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be, has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Renminbi Notes, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"PRA" means the United Kingdom Prudential Regulation Authority or such other governmental authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of the Issuer;

"PRC" means the People's Republic of China which, for the purposes of these Conditions shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Agent Bank;
- (b) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the relevant Final Terms; and
- (c) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Agent Bank;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Quotation Time" shall be as set out in the relevant Final Terms;

"Rate of Interest" means (i) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions; and (ii) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Sterling Make-Whole Redemption Amount, the Non-

Sterling Make-Whole Redemption Amount, the Optional Redemption Amount (Regulatory Event), the Optional Redemption Amount (Loss Absorption Disqualification Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Redemption Margin" shall be as set out in the relevant Final Terms;

"Reference Banks" (i) in the case of Notes other than Reset Notes, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Agent Bank in the market that is most closely connected with the Reference Rate; and (ii) in the case of Reset Notes, has the meaning given in the relevant Final Terms or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate (in the case of the calculation of the Mid-Swap Rate) as selected by the Issuer on the advice of an investment bank of international repute;

"Reference Bond" shall be as set out in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the relevant Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Date (in the case of a redemption pursuant to Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*)) and with respect to any Reset Determination Date (in the case of the calculation of interest in respect of a Reset Period), (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption or Reset Determination Date (as applicable), after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one Reference Government Bond Dealer Quotation is received or if no Reference Government Bond Dealer Quotations are received, the First Reset Rate of Interest shall be the Initial Rate of Interest and any Subsequent Reset Rate of Interest shall be determined to be the Rate of Interest as at the last preceding Reset Date;

"Reference Bond Rate" means, with respect to any Reference Date or Reset Period (as applicable), the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond (in the case of a redemption pursuant to Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*)) or the Reset Reference Bond (in the case of the calculation of interest in respect of a Reset Period), assuming a price for the Reference Bond or Reset Reference Bond (as applicable) (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date or Reset Determination Date (as applicable);

"Reference Date" means the date which is two business days prior to the despatch of the notice of redemption under Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) or such other date as may be specified in the relevant Final Terms;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date or Reset Determination Date (as applicable), the arithmetic average, as determined by the Issuer or the Determination Agent (as applicable), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount):

- (a) which appears on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date (in the case of a redemption pursuant to Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*)); or

- (b) to the extent that, in the case of (a) above, either such bid and offered prices do not appear on that page, fewer than two such Reference Government Bond Dealer bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Issuer or the Determination Agent (as applicable) by such Reference Government Bond Dealer; or
- (c) as at the Reset Determination Time and quoted in writing to the Agent Bank by such Reference Government Bond Dealer (in the case of the calculation of interest in respect of a Reset Period);

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" shall mean (i) LIBOR, (ii) EURIBOR, (iii) SONIA, (iv) SOFR, (v) BBSW, (vi) SHIBOR, (vii) CHIBOR, (viii) CNH HIBOR, (ix) TIBOR, (x) STIBOR, (xi) SGD SOR, (xii) HIBOR, (xiii) CDOR, (xiv) NIBOR or (xv) JIBAR, in each case for the relevant currency and for the relevant period, as specified in the relevant Final Terms;

"**Regular Period**" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" shall mean the financial centre specified as such in the relevant Final Terms, or if none is so specified (i) London, in the case of a determination of LIBOR, (ii) Brussels, in the case of a determination of EURIBOR, (iii) Sydney, in the case of a determination of BBSW, (iv) Shanghai, in the case of a determination of SHIBOR, (v) Shanghai, in the case of a determination of CHIBOR, (vi) Hong Kong, in the case of a determination of CNH HIBOR, (vii) Tokyo, in the case of a determination of TIBOR, (viii) Stockholm, in the case of a determination of STIBOR, (ix) Singapore, in the case of a determination of SGD SOR, (x) Hong Kong, in the case of a determination of HIBOR, (xi) Toronto, in the case of a determination of CDOR, (xii) Oslo, in the case of a determination of NIBOR and (xiii) Johannesburg, in the case of a determination of JIBAR;

"**Relevant Make Whole Screen Page**" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Final Terms, or such other page, section

or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond;

"Relevant Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reset Date" means the First Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the relevant Final Terms) in accordance with Condition 5 (*Fixed Rate Note Provisions*) as if the relevant Reset Date was an Interest Payment Date;

"Reset Determination Date" means, unless otherwise specified in the relevant Final Terms, the second Business Day prior to each relevant Reset Date;

"Reset Determination Time" means in relation to a Reset Determination Date, 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the relevant Final Terms;

"Reset Note" means a Note which bears interest at a rate of interest which is recalculated at specified intervals;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Reference Bond" means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) agreed between the Issuer and the Determination Agent as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer, after consultation with the Determination Agent) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

"Reset Reference Rate" means either (i) the Mid-Swap Rate, or (ii) the Reference Bond Rate, as specified in the relevant Final Terms;

"SHIBOR" means the Shanghai inter-bank offered rate;

"SGD SOR" means Singapore Dollar Swap Offer Rate;

"SOFR" shall have the meaning given to such term in Condition 7(e) (*Screen Rate Determination for Floating Rate Notes which reference SOFR*);

"SONIA" shall have the meaning given to such term in Condition 7(d) (*Screen Rate Determination for Floating Rate Notes which reference SONIA*);

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Sterling Make Whole Redemption Amount**" has the meaning given in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*).

"**STIBOR**" means the Stockholm inter-bank offered rate;

"**Subsequent Margin**" means the margin applicable to the Mid-Swap Rate or the Reset Reference Bond (as applicable) specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 6(e) (*Reset Note Provisions – Fallbacks*), the rate of interest determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the Subsequent Margin applicable in respect of such Reset Reference Rate;

"**Subsidiary**" means, in relation to any other company, a company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006 of the United Kingdom) of such other company;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Taxing Jurisdiction**" has the meaning given to it in Condition 14(a) (*Taxation – Gross up*);

"**TIBOR**" means the Tokyo inter-bank offered rate;

"**Tier 2 Capital**" means Tier 2 Capital for the purposes of the Capital Regulations;

"**Winding-up Event**" means with respect to the Notes if (i) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be organised) makes an order for its winding-up which is not successfully appealed within 30 days of the making of such order, (ii) the Issuer's shareholders adopt an effective resolution for its winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 14 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 14 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "Not Applicable" then such expression is not applicable to the Notes;
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to (and including) the Issue Date of the Notes; and
- (ix) any reference in these Conditions to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination, Title and Transfer**

- (a) **Bearer Notes:** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) **Title to Bearer Notes:** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) **Registered Notes:** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) **Title to Registered Notes:** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) **Ownership:** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

- (f) **Transfers of Registered Notes:** Subject to Conditions 3(i) (*Form, Denomination, Title and Transfer – Closed periods*) and 3(j) (*Form, Denomination, Title and Transfer – Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) **Registration and delivery of Certificates:** Within five business days of the surrender of a Certificate in accordance with Condition 3(f) (*Form, Denomination, Title and Transfer – Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3(g) (*Form, Denomination, Title and Transfer – Registration and delivery of Certificates*), "**business day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes or once notice of redemption of the Notes has been given in accordance with Condition 10 (*Redemption and Purchase*).
- (j) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (k) **No exchange:** Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

4. **Status**

The Notes are either senior Notes ("**Senior Notes**") or tier 2 capital Notes ("**Tier 2 Capital Notes**"), as specified in the relevant Final Terms.

(a) **Senior Notes**

The Senior Notes (and the Coupons relating thereto, if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and, in the event of the winding up or administration of the Issuer will rank *pari passu* with all other present and future

unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law.

(b) ***Tier 2 Capital Notes***

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up or administration of the Issuer, the claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed), the Holders of Tier 2 Capital Notes and any related Coupons against the Issuer in respect of such Notes and Coupons (including any damages or other amounts (if payable)) shall (i) be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims in respect of Parity Obligations (as defined in the Trust Deed) and with the claims of all other subordinated creditors of the Issuer (if any) which by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Capital Notes; and (iii) rank senior to the Issuer's ordinary shares, preference shares and any junior subordinated obligations (including the Junior Obligations (as defined in the Trust Deed)) or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Tier 2 Capital Notes.

Nothing in this Condition 4 (*Status*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

For the purposes of this Condition 4(b) (*Status – Tier 2 Capital Notes*):

"**Order**" means Banks and Building Societies (Priorities on Insolvency) Order 2018;

"**Ranking Legislation**" means the Order and any other law or regulation applicable to the Issuer which is amended by the Order;

"**secondary non-preferential debts**" shall have the meaning given to it in the Ranking Legislation; and

"**Senior Creditors**" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of such Issuer; (ii) who are subordinated creditors of such Issuer (whether in the event of winding-up or administration of such Issuer or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of Tier 2 Capital Notes and relevant Couponholders or (y) those whose claims are in respect of Parity Obligations or Junior Obligations; or (iii) who are creditors in respect of any secondary non-preferential debts.

(c) ***No set-off – Senior Notes and Tier 2 Capital Notes***

Subject to applicable law, claims in respect of any Tier 2 Capital Notes or related Coupons may not be set-off, or be the subject of a counterclaim, by the Holder against or in respect of any of its obligations to the Issuer, the Trustee or any other person and every Holder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set-off, or to raise by way of counterclaim any of its claims in respect of any Tier 2 Capital Notes or related Coupons, against or in respect of any of its obligations to the Issuer, the Trustee or any other person. If, notwithstanding the preceding sentence, any Holder receives or recovers any sum or the benefit of any sum in respect of any Tier 2 Capital Note or related Coupon by virtue of any such set-off or counterclaim, it shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding up of the Issuer, to the liquidator of the Issuer.

If Senior Notes Waiver of Set-off is specified in the relevant Final Terms as being applicable, then the previous paragraph shall apply to Senior Notes, any related Coupons and each Holder in respect of such Senior Notes *mutatis mutandis* and as if references in that paragraph to Tier 2 Capital Notes were references to such Senior Notes.

5. Fixed Rate Note Provisions

- (a) **Application:** This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Fixed Rate Note Provisions*) (as well after as before judgment) until (and including) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day on which notice is given to the holder of such Note that sufficient funds for payment of such sums have been received by the Principal Paying Agent or the Trustee.
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

In the case of Renminbi or Hong Kong dollar-denominated Notes, if Interest Payment Date adjustment is specified as applying in the relevant Final Terms:

- (i) each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 or HK\$ 0.01 (as the case may be), CNY0.005 or HK\$ 0.005 (as the case may be) being rounded upwards; and
- (ii) where (x) there is not numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day, then such Interest Payment Date shall be adjusted in accordance with the Modified Following Business Day Convention.

6. Reset Note Provisions

- (a) **Application:** This Condition 6 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest:
 - (i) from (and including) the Interest Commencement Date specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

- (ii) from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date, subject to adjustment as provided in Condition 5 (*Fixed Rate Note Provisions*) in the case of Renminbi or Hong Kong dollar denominated Notes and subject further as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Reset Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day on which notice is given to the holder of such Note that sufficient funds for payment of such sums have been received by the Principal Paying Agent or the Trustee.

- (c) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (d) **Rate of Interest:** The Rate of Interest applicable for each Reset Period shall be determined by the Agent Bank at or as soon as practicable after each time at which the Rate of Interest is to be determined on each Reset Determination Date. The Interest Amount payable on the Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 5 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 5 (*Fixed Rate Note Provisions*) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 5 (*Fixed Rate Note Provisions*) shall be construed accordingly.
- (e) **Fallbacks:**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in the circumstances provided for in Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*)) and the Issuer has specified in the relevant Final Terms that the Reference Bond Rate is applicable as the fallback to the Mid-Swap Rate, the Reset Reference Rate shall be the Reference Bond Rate calculated by the Agent Bank in accordance with these Conditions and subject (if applicable) to the relevant Capital Regulations. Alternatively, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page and (i) the Reference Bond Rate has not been specified as the fallback to the Mid-Swap Rate, or (ii) if the Reference Bond Rate has been specified as the fallback to the Mid-Swap Rate, only one or no Reference Government Bond Dealer Quotation is received for the purpose of calculating the Reference Bond Price applicable to the Reset Reference Bond, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its Mid-Market Swap Rate Quotation as at approximately the Reset Determination Time.

If two or more of the Reference Banks provide the Agent Bank with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Agent Bank.

If only one of the Reference Banks provides the Agent Bank with a Mid-Market Swap Rate Quotation, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the Reset Period shall be the sum of such Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Agent Bank. If on any Reset Determination Date none of the Reference Banks provides the Agent Bank with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph (e), or if the Agent Bank does not at any time for any reason determine the Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

- (f) **Publication:** The Agent Bank will cause each Rate of Interest determined by it to be notified to the Issuer, the Paying Agents, the Trustee and the competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders in accordance with Condition 21 (*Notices*) as soon as possible after the determination or calculation thereof.
- (g) **Notifications etc:** All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Reset Note Provisions*) by the Agent Bank will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Agent Bank, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 6 (*Reset Note Provisions*).

7. Floating Rate Note Provisions and Benchmark Replacement

- (a) **Application:** This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and, in respect of Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*) only, if the Floating Rate Note Provisions or the Reset Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from (and including), the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7(b) (*Floating Rate Note Provisions and Benchmark Replacement – Accrual of interest*) (as well after as before judgment) until (and including) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day on which notice is given to the holder of such Note that sufficient funds for payment of such sums have been received by the Principal Paying Agent or the Trustee.
- (c) **Screen Rate Determination (other than Floating Rate Notes which reference SONIA or SOFR):** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate specified in the relevant Final Terms is not SONIA or SOFR, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*) and (h) (*Floating Rate Note Provisions and Benchmark Replacement – Maximum or Minimum Rate of Interest*)) be determined by the Agent Bank on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Agent Bank will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent Bank by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Determination Agent shall determine such rate at such time and by reference to such sources as it determines appropriate; and
- (iii) in any other case, the Agent Bank will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Agent Bank will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide to the Agent Bank a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean of the rates quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Agent Bank, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) ***Screen Rate Determination for Floating Rate Notes which reference SONIA***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate specified in the relevant Final Terms is SONIA, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*) and Condition 7(h) (*Floating Rate Note Provisions and Benchmark Replacement – Maximum or Minimum Rate of Interest*) and subject as provided below) be Compounded Daily SONIA plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined by the Agent Bank.

For the purposes of this Condition 7(d):

"Compounded Daily SONIA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank, as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"d" means, for the relevant Interest Period, the number of calendar days in such Interest Period;

"d_o" means, for the relevant Interest Period, the number of London Banking Days in such Interest Period;

"i" means, for the relevant Interest Period, a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, but excluding, the last London Banking Day in such Interest Period;

"Interest Determination Date" means the date specified as such in the relevant Final Terms;

"London Banking Day" or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n_i" means, for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"Observation Period" means, in respect of the relevant Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means, for any Interest Period, the number of London Banking Days by which the corresponding Observation Period precedes such Interest Period, as specified in the relevant Final Terms (or, if no such number is specified, five London Banking Days); and

"SONIA_{i-pLBD}" means, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i".

If, subject to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*), in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, and without prejudice to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Agent Bank shall, in consultation with the Issuer, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, subject to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the relevant Final Terms) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(e) ***Screen Rate Determination for Floating Rate Notes which reference SOFR***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate specified in the relevant Final Terms is SOFR, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 7(g) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*) and Condition 7(h) (*Floating Rate Note Provisions and Benchmark Replacement – Maximum or Minimum Rate of Interest*) and subject as provided below) be Weighted Average SOFR plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined by the Agent Bank.

For the purposes of this Condition 7(e) (*Screen Rate Determination for Floating Rate Notes which reference SOFR*):

"**Federal Reserve's Website**" means the website of the Board of Governors of the Federal Reserve System, currently at <http://www.federalreserve.gov>, or any successor website of the Board of Governors of the Federal Reserve System.

"**New York City Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

"**New York Federal Reserve's Website**" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org/>, or any successor website of the Federal Reserve Bank of New York.

"OBFR Index Cessation Date" means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate) ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an Overnight Bank Funding Rate;
- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (C) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by the International Swaps and Derivatives Association, Inc. as an "OBFR Index Cessation Event" under the ISDA Definitions.

"Overnight Bank Funding Rate" means, with respect to any Reset Date, the daily Overnight Bank Funding Rate in respect of the New York City Banking Day immediately preceding such Reset Date as provided by the Federal Reserve Bank of New York, as the administrator of such Rate (or a successor administrator) on the New York Fed's Website at or around 5:00 p.m. (New York time) on such Reset Date.

"SIFMA" means the Securities Industry and Financial Markets Association or any successor thereto.

"SOFR" means, with respect to any SOFR Reset Date:

(1) the Secured Overnight Financing Rate published at 5:00 p.m. (New York time) on the New York Federal Reserve's Website on such SOFR Reset Date (or, if such SOFR Reset Date is not a U.S. Government Securities Business Day, on the first U.S. Government Securities Business Day following such SOFR Reset Date) for trades made on the related SOFR Determination Date;

(2) if the rate specified in (1) above does not so appear, and a SOFR Index Cessation Event and SOFR Index Cessation Date have not both occurred, the Secured Overnight Financing Rate published on the New York Federal Reserve's Website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the New York Federal Reserve's Website;

(3) if the rate specified in (1) above does not so appear, and a SOFR Index Cessation Event and SOFR Index Cessation Date have both occurred, the rate that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads), provided that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Date, then the rate for any such

SOFR Reset Date falling on or after the SOFR Index Cessation Date will be determined as if (i) references to the Secured Overnight Financing Rate were references to the Overnight Bank Funding Rate (published on the New York Federal Reserve's Website at or around 5:00 p.m. (New York time) on the relevant New York City Banking Day); (ii) references to U.S. Government Securities Business Day were references to New York City Banking Day, (iii) references to SOFR Index Cessation Event were references to the OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Date were references to OBFR Index Cessation Date (it being understood that the Overnight Bank Funding Rate for any such SOFR Reset Date will be for trades made on the related SOFR Determination Date); or

(4) if the Agent Bank is required to use the Overnight Bank Funding Rate in paragraph (3) above and an OBFR Index Cessation Event and an OBFR Index Cessation Date have both occurred, then for any SOFR Reset Date falling on or after the later of the SOFR Index Cessation Date and the OBFR Index Cessation Date, the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Reset Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Reset Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

"SOFR Determination Date" means, with respect to any SOFR Reset Date and with respect to (x) the Secured Overnight Financing Rate and (y) the Overnight Bank Funding Rate: (i) in the case of (x), the first U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and (ii) in the case of (y), the first New York City Banking Day immediately preceding such SOFR Reset Date.

"SOFR Index Cessation Date" means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a Secured Overnight Financing Rate;
- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- (C) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by the International Swaps and Derivatives Association, Inc. as an "SOFR Index Cessation Event" under the ISDA Definitions.

"SOFR Reset Date" means each U.S. Government Securities Business Day during the relevant Interest Period, *provided however* that if both a SOFR Index Cessation Event and a SOFR Index Cessation Date have occurred, it shall mean: (i) in respect of the period

from, and including, the first day of the Interest Period in which the SOFR Index Cessation Date falls (such Interest Period, the "**Affected Interest Period**") to, but excluding, the SOFR Index Cessation Date (such period, the "**Partial SOFR Period**"), each U.S. Government Securities Business Day during the Partial SOFR Period; (ii) in respect of the period from, and including, the SOFR Index Cessation Date to, but excluding, the Interest Payment Date in respect of the Affected Interest Period (such period, the "**Partial Fallback Period**"), each New York City Banking Day during the Partial Fallback Period; and (iii) in respect of each Interest Period subsequent to the Affected Interest Period, each New York City Banking Day during the relevant Interest Period.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"**Weighted Average SOFR**" means the arithmetic mean of the SOFR in effect for each SOFR Reset Date during the relevant Interest Period, calculated by multiplying the relevant SOFR by the number of calendar days such SOFR is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, *provided however* that the last two SOFR Reset Days of such Interest Period shall be a "**Suspension Period**". During a Suspension Period, the SOFR for each day during that Suspension Period will be the value for the SOFR Reset Date immediately prior to the first day of such Suspension Period.

(f) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank under an interest rate swap transaction if the Agent Bank were acting as Agent Bank for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Final Terms;
- (ii) the Designated Maturity is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent Bank by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Determination Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

The expressions "**Floating Rate**", "**Agent Bank**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" in this Condition 7(f) have the respective meanings given to them in the ISDA Definitions.

- (g) **Benchmark Replacement:** In addition, notwithstanding the provisions above in this Condition 7 or Condition 6 (*Reset Note Provisions*), if the Issuer determines that a Benchmark Event has occurred or there is a Successor Rate, in either case when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate or Mid-Swap Floating Leg Benchmark Rate, then the Issuer may elect (acting in good faith and in a commercially reasonable manner) to apply the following provisions:
- (i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable) (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
 - (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate;
 - (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(g) (*Benchmark Replacement*)); *provided, however*, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period or Reset Period (as applicable) (or alternatively, if there has not been a first Interest Payment Date or Reset Date (as applicable), the rate of interest shall be the Initial Interest Rate) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period or Reset Period (as applicable) for the Margin that is to be applied to the relevant Interest Period or Reset Period (as applicable)); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(g) (*Benchmark Replacement*);
 - (iv) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (acting in good faith and in a commercially reasonable manner) determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then

such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

- (v) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date, Reset Determination Time and/or the definition of Reference Rate or Mid-Swap Floating Leg Benchmark Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread. For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(g) (*Benchmark Replacement*). Noteholder consent shall not be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Trustee or Principal Paying Agent (if required); and
- (vi) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the Trustee, the Principal Paying Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate or Adjustment Spread, and any other related changes to the Notes, shall be made in accordance with the relevant Capital Regulations (if applicable) and shall not prejudice qualification of the Tier 2 Notes as Tier 2 Capital.

For the purposes of this Condition 7(g) (*Benchmark Replacement*):

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised

or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable);

"Benchmark Event" means:

- (i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that it has ceased, or will cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) as a consequence of which such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is no longer representative of an underlying market or the methodology to calculate such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has materially changed; or
- (vi) it has or will become unlawful for the Agent Bank or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable);

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Relevant Nominating Body" means, in respect of a reference rate or mid-swap floating leg benchmark rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or mid-swap floating leg benchmark rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or mid-swap floating leg benchmark rate relates, (b) any other central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

"Successor Rate" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) (for the avoidance of doubt, whether or not such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be available) which is formally recommended by any Relevant Nominating Body.

- (h) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (i) **Calculation of Interest Amount:** The Agent Bank will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (j) **Publication:** The Agent Bank will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents, the Trustee and the competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Noteholders in accordance with Condition 21 (*Notices*) as soon as possible after the determination or calculation thereof. The Agent Bank will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Agent Bank shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (k) **Notifications etc:** All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Agent Bank will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Agent Bank, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 7.

8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day on which notice is given to the holder of such Note that sufficient funds for payment of such sums have been received by the Principal Paying Agent or the Trustee.

9. **Fixed/Floating Rate Notes**

- (a) **Application:** This Condition 9 (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Fixed/Floating Rate:** The Issuer may issue Notes (i) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (ii) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*).
- (b) **Redemption for tax reasons:** Subject to Condition 10(l) (*Redemption and Purchase – Restriction on Early Redemption of the Notes*) below, the Notes may be redeemed at the option of the Issuer in whole, but not in part (x) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or (y) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, **provided that:**
- (i) the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Notes (such notice being irrevocable) specifying the date fixed for such redemption; and

- (ii) immediately before giving such notice, the Issuer has determined that as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or a change in an official application of those laws or regulations on or after the Issue Date of the first Tranche of Notes, including a decision of any court or tribunal which becomes effective on or after the Issue Date of the first Tranche of Notes (and, in the event of the substitution of any subsidiary of the Issuer in place of the Issuer as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes, which becomes effective on or after the date of that entity's assumption of the Issuer's obligations):
- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*);
 - (B) the Issuer would not be entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the value of the deduction would be materially reduced;
 - (C) the Issuer would not, as a result of the Notes being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist);
 - (D) in the case of Tier 2 Capital Notes, the Issuer would, in the future, have to bring into account a taxable credit if the principal amount of the Notes were written down or converted; or
 - (E) in the case of Tier 2 Capital Notes, the Issuer will have to treat the Notes of such Series or any part thereof as a derivative or an embedded derivative for United Kingdom tax purposes,

(each such change in tax law or regulation or the official application thereof, a "**Tax Event**"); and in the case of each of (A), (B), (C), (D) and (E), such consequences cannot be avoided by the Issuer taking reasonable measures available to it,

provided, further, that no such notice of redemption shall be given earlier than (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due; or (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due.

It shall be sufficient to establish the circumstances required to be established under this Condition 10(b) (*Redemption and Purchase – Redemption for tax reasons*) if the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) following receipt of an opinion of a firm of independent legal advisers or accountants to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws or regulations of the United Kingdom or other relevant jurisdiction (including any authority or political subdivision therein or thereof having power to tax), including any treaty to which the relevant jurisdiction is a party, or a change in the official application of those laws or regulations, which at the date of such certificate is proposed to be made and in the opinion of such firm and the Issuer (based on such opinion) is reasonably expected to become effective on or prior to the date when the

relevant payment in respect of such Notes would otherwise be made, becoming so effective, such circumstances would exist.

The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 10(b) (*Redemption and Purchase – Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b) (*Redemption and Purchase – Redemption for tax reasons*).

- (c) **Redemption at the option of the Issuer:** Subject to Condition 10(l) (*Redemption and Purchase – Restriction on Early Redemption of the Notes*) below, if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms, together with any accrued but unpaid interest to (but excluding) the relevant Optional Redemption Date (Call)) at either:
- (i) the Optional Redemption Amount (Call); or
 - (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of the Notes to be redeemed, be:

- (A) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin; or
- (B) if "**Non-Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to maturity on such Notes on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin,

all as determined by the Issuer or by the Determination Agent.

- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place and in such manner as is fair and reasonable in the circumstances taking account of prevailing market practices, subject to compliance with applicable law, the rules of the competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading and the notice to Noteholders referred to in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If

any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) **Redemption at the option of Noteholders:** In the case of any Series of Senior Notes only, if the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice (which notice shall be irrevocable) at the relevant Optional Redemption Amount (Put) together with any accrued but unpaid interest to (but excluding) such date. No Series of Tier 2 Capital Notes shall contain a Put Option. In order to exercise the option contained in this Condition 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 days nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) such Note together with any unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent or the Registrar (as the case may be) with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar (as the case may be) shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent or the Registrar (as the case may be) in accordance with this Condition 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent or the Registrar (as the case may be) shall be deemed to be the Holder of such Note for all purposes. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 10(b) (*Redemption and Purchase – Redemption for tax reasons*), 10(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) or (d) (*Redemption and Purchase – Partial redemption*) and any exercise of the first- mentioned option in such circumstances shall have no effect.
- (f) **Regulatory Event Redemption of Tier 2 Capital Notes:** Subject to Condition 10(l) (*Redemption and Purchase – Restriction on Early Redemption of the Notes*) below, if there is a change in the regulatory classification of the Tier 2 Capital Notes that occurs on or after the issue date of the first Tranche of the Tier 2 Capital Notes and that does, or would be likely to, result in the whole or any part of the outstanding aggregate principal amount of the Tier 2 Capital Notes at any time being excluded from or ceasing to count towards, the Tier 2 Capital of the Group (a "**Regulatory Event**"), the Issuer may, at its option, redeem the Tier 2 Capital Notes, in whole but not in part, at the relevant Optional Redemption Amount (Regulatory Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, **provided that** the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of the Tier 2 Capital Notes (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption under this Condition 10(f) (*Redemption and Purchase – Regulatory Event Redemption of Tier 2 Capital Notes*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the relevant circumstance referred to under this Condition 10(f) (*Redemption and Purchase – Regulatory Event Redemption of Tier 2 Capital Notes*) does exist. Such certificate shall be

treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

Upon the expiry of such notice period, the Issuer shall be bound to redeem the Tier 2 Capital Notes accordingly.

- (g) **Loss Absorption Disqualification Event Redemption of Senior Notes:** Subject to Condition 10(l) (*Redemption and Purchase – Restriction on Early Redemption of the Notes*) below, if a Loss Absorption Regulations Event occurs on or after the Issue Date of the first Tranche of a Series of Senior Notes that does, or would be likely to (in the opinion of the Issuer, the PRA or any other relevant national or European authority), result in a Loss Absorption Disqualification Event, the Issuer may, at its option, redeem the relevant Series of Senior Notes, in whole but not in part, at the relevant Optional Redemption Amount (Loss Absorption Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, provided that the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of the relevant Series of Senior Notes (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption under this Condition 10(g) (*Redemption and Purchase – Loss Absorption Disqualification Event Redemption of Senior Notes*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the relevant circumstance referred to under this Condition 10(g) (*Redemption and Purchase – Loss Absorption Disqualification Event Redemption of Senior Notes*) does exist. Such certificate shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

Upon the expiry of such notice period, the Issuer shall be bound to redeem the relevant Series of Senior Notes accordingly.

- (h) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 10(h) (*Redemption and Purchase – Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 10(a) (*Redemption and Purchase – Scheduled redemption*) to (h) (*Redemption and Purchase – Early redemption of Zero Coupon Notes*) above.
- (j) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise in accordance with the Capital Regulations applicable to the Group in force at the relevant time, and subject to the prior consent of the PRA and/or any other relevant national or European authority (in either case, if such consent is then required by the Capital Regulations), and **provided that** all unmatured Coupons are purchased therewith.

- (k) **Cancellation:** All Notes so redeemed shall, and all Notes so purchased may, be cancelled (together with any unmatured Coupons attached thereto or surrendered therewith) and may not be reissued or resold.
- (l) **Restriction on Early Redemption of the Notes:** Notwithstanding any other provision in this Condition 10 (*Redemption and Purchase*), the Issuer may redeem the Notes (and give notice thereof to the Holders) only if it has obtained the prior consent of the PRA and/or any other relevant national or European authority (in either case, if such consent is then required by the Capital Regulations) for the redemption of the relevant Notes.

The rules under CRD IV prescribe certain conditions for the granting of permission by the competent authority (the PRA in this case) to a request by the Issuer to redeem or repurchase the Tier 2 Capital Notes. In this respect, the CRD IV Regulation provides that the PRA shall grant permission to a redemption or repurchase of the Tier 2 Capital Notes provided that either of the following conditions is met, as applicable to the relevant Tier 2 Capital Notes:

- (i) *on or before the redemption or repurchase of the Tier 2 Capital Notes, the Issuer replaces the Tier 2 Capital Notes with own funds instruments of an equal or higher quality at terms that are sustainable for its income capacity; or*
- (ii) *the Issuer has demonstrated to the satisfaction of the PRA that its own funds would, following such redemption or repurchase, exceed the capital ratios required under CRD IV by a margin that the PRA may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution.*

In addition, the rules under CRD IV provide that the PRA may only permit the Issuer to redeem the Tier 2 Capital Notes before five years after the date of issuance of the relevant Tier 2 Capital Notes if:

- (A) *the conditions listed in paragraphs (i) or (ii) above are met; and*
- (B) *in the case of redemption due to the occurrence of a Regulatory Event, (i) the PRA considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the PRA that the Regulatory Event was not reasonably foreseeable at the time of issuance of the Tier 2 Capital Notes; or*
- (C) *in the case of redemption due to the occurrence of a Tax Event, there is a change in the applicable tax treatment of the relevant Tier 2 Capital Notes which the Issuer demonstrates to the satisfaction of the PRA is material and was not reasonably foreseeable at the time of issuance of such Notes.*

The rules under CRD IV may be modified from time to time after the date of this Base Prospectus.

11. **Payments - Bearer Notes**

This Condition 11 (*Payments - Bearer Notes*) is only applicable to Bearer Notes.

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) **Interest:** Payments of interest shall, subject to Condition 11(h) (*Payments - Bearer Notes – Payments other than in respect of matured Coupons*) below, be made only against

presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 11(a) (*Payments - Bearer Notes - Principal*) above.

CMU Service: *Payments of principal and interest in respect of Bearer Notes held in the CMU Service will be made to the Relevant Person(s) (as defined below). In this paragraph, "Relevant Person(s)" means the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) one business day prior to the relevant payment date. Payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due; (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** Save as provided in Condition 14 (*Taxation*), payments in respect of the Bearer Notes will be subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its Agents agree to be subject and the Issuer or any of its Paying Agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, and no commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; or
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this Condition 11(e)(ii)(A) (*Payments - Bearer Notes – Deductions for unmatured Coupons*) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the

amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 11(a) (*Payments - Bearer Notes - Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) ***Unmatured Coupons void***: If the relevant Final Terms specifies that this Condition 11(f) (*Payments - Bearer Notes - Unmatured Coupons void*) is applicable, that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption and Purchase - Redemption for tax reasons*), Condition 10(e) (*Redemption and Purchase - Redemption at the option of Noteholders*), Condition 10(c) (*Redemption and Purchase - Redemption at the option of the Issuer*), Condition 10(f) (*Redemption and Purchase - Regulatory Event Redemption of Tier 2 Capital Notes*) or Condition 15 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) ***Payments on business days***: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 11(c) (*Payments - Bearer Notes - Payments in New York City*) above).
- (i) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 16 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments - Registered Notes**

This Condition 12 (*Payments - Registered Notes*) is only applicable to Registered Notes.

- (a) ***Principal***: Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (b) ***Interest***: Payments of interest shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the

case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

CMU Service: *Payments of principal and interest in respect of Registered Notes held in the CMU Service will be made to the Relevant Person(s) (as defined below). In this paragraph, "Relevant Person(s)" means the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) one business day prior to the relevant payment date. Payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

- (c) **Payments subject to fiscal laws:** Save as provided in Condition 14 (*Taxation*), payments in respect of the Registered Notes will be subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its Agents agree to be subject and the Issuer or any of its agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, and no commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.
- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- (f) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the 15th day before the due date for such payment (the "**Record Date**").

13. **Payments – Renminbi Notes**

This Condition 13 (*Payments - Renminbi Notes*) shall apply to all Renminbi Notes in addition to Condition 11 (*Payments - Bearer Notes*) or Condition 12 (*Payments - Registered Notes*), as the case may be.

- (a) **Payments of USD Equivalent:** Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Renminbi Notes when due in Renminbi to an account maintained in Hong Kong, the Issuer may, on giving not less than five nor more than 30 calendar days' irrevocable notice to the Holders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. Dollars on the due date at the USD Equivalent of any such Renminbi denominated amount.
- (b) Payments of the USD Equivalent of the relevant Renminbi amount, determined in accordance with this Condition 13 (*Payments - Renminbi Notes*), will be made by credit or transfer to a U.S. Dollar account (or any other account to which U.S. dollars may be credited or transferred) specified by the payee or, at the option of the payee, by a U.S.

Dollar cheque, **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States.

(c) For the purpose of this Condition 13 (*Payments - Renminbi Notes*):

"**CNHFIX Spot Rate**" means for a Rate Calculation Date, the CNY/USD official fixing rate, expressed as the amount of CNY per one USD, for settlement in two Business Days reported by the Treasury Markets Association which appears on the Reuters Screen Page CNHFIX at approximately 11.15 a.m. (Hong Kong time). In the event that no such quotation appears on the relevant Reuters Screen Page or any successor page or service thereto at the relevant time on the relevant Rate Calculation Date (or, if different, the day on which rates for the Rate Calculation Date would, in the ordinary course, be published or announced by the relevant price source), the Agent Bank will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available CNY/USD official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC.. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the CNY exchange market in Hong Kong.

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 5 March 2019 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 5 March 2019 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Rate Calculation Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in London, Hong Kong and New York City.

"**Rate Calculation Date**" means the day which is three Rate Calculation Business Days before the due date of the relevant amount under these Conditions.

"**Renminbi**", "**RMB**" or "**CNY**" means the official currency of the PRC.

"**Spot Rate**", means the CNHFIX Spot Rate or the TRADCNY3 Spot Rate, as specified in the relevant Final Terms.

"**TRADCNY3 Spot Rate**" means, for a Rate Calculation Date, the spot CNY/USD exchange rate for the purchase of U.S. Dollars with Renminbi, for settlement in two Business Days, in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Agent Bank at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to the bid rate appearing on Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Agent Bank will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available CNY/USD official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**USD Equivalent**" means the Renminbi amount converted into U.S. Dollars using the Spot Rate for the relevant Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 13 (*Payments - Renminbi Notes*) by the Agent Bank, will (in the absence of fraud, gross negligence or wilful default) be binding on the Issuer, the Trustee, the Agents and all Holders.

14. **Taxation**

- (a) **Gross up:** Except as otherwise specified in the relevant Final Terms, all payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax (each, a "**Taxing Jurisdiction**"), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law.

In that event, the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of the Note or Coupon;
- (ii) unless it is proved, to the satisfaction of the Principal Paying Agent or the Transfer and Paying Agent to whom the same is presented, that the Holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities; or
- (iii) where the relevant Note or Coupon or Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Certificate for payment on the last day of such period of 30 days.

- (b) Any reference in these Conditions to principal in respect of the Notes of any Series shall be deemed to include, as applicable:
 - (i) any additional amounts which may be payable with respect to principal under this Condition 14 (*Taxation*) or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
 - (ii) the redemption amount payable on such Notes on their Maturity Date;
 - (iii) the redemption amount payable on redemption of such Notes prior to such Maturity Date; and
 - (iv) any premium and any other amounts which may be payable under or in respect of such Notes.
- (c) Any reference in these Conditions to interest in respect of the Notes of any Series shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under this Condition 14 (*Taxation*) or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.
- (d) For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

15. **Events of Default**

- (a) **Non-restrictive Events of Default:** The provisions of this Condition 15(a) shall have effect in relation to any Series of Senior Notes where the relevant Final Terms specify that Condition 15(b) (*Events of Default – Restrictive Events of Default*) does not apply.

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject, in all cases, to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with any accrued but unpaid interest without further action or formality:

- (i) *Non-payment:* any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good. The Issuer shall not, however, be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14-day period by independent legal advisers approved by the Trustee; or
- (ii) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Coupons or the Trust Deed and that breach has not been remedied within 21 days of receipt of a written notice from the Trustee certifying that in its opinion the breach is

materially prejudicial to the interests of the holders of such Notes and requiring the same to be remedied; or

- (iii) *Winding-up etc.*: a Winding-up Event occurs.

At any time after any Series of Senior Notes shall have become due and repayable in accordance with this Condition 15(a), the Trustee may at its discretion and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice, institute such proceedings or take such steps or actions as it may think fit against the Issuer to enforce payment.

- (b) ***Restrictive Events of Default***: The provisions of this Condition 15(b) shall have effect in relation to (x) any Series of Tier 2 Capital Notes or (y) any Series of Senior Notes where the relevant Final Terms specify this Condition 15(b) applies.

- (i) If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:

(A) *Non-payment*: in the event that any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good, institute proceedings in a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) for the winding up of the Issuer and/or prove in its winding-up and/or claim in its liquidation or administration, provided that the Issuer shall not be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14-day period by independent legal advisers approved by the Trustee; or

(B) *Breach of other obligations (other than non-payment)*: institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under such Notes or Coupons or the terms of the Trust Deed relating thereto (other than any payment obligation of the Issuer under or arising from the relevant Notes or Coupons or the Trust Deed, including, without limitation, payment of any principal or interest) (a "**Performance Obligation**"); provided always that the Trustee (acting on behalf of the Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of the Issuer and/or claiming such Monetary Judgment in an administration of the Issuer.

Nothing in this Condition 15(b)(i) (*Events of Default – Restrictive Events of Default*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (ii) If a Winding-up Event occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding relevant Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Final Terms) together with any accrued but unpaid interest as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 4(b) (*Status – Tier 2 Capital Notes*) (if applicable).
- (c) **All Notes:** The provisions of this Condition 15(c) (*Events of Default - All Notes*) shall have effect in relation to any Series of Notes.

No Holder of any such Notes and no holder of the Coupons (if any) appertaining thereto shall be entitled to institute any of the proceedings or take the steps or actions referred to in Condition 15(a) (*Events of Default – Non-restrictive Events of Default*) or 15(b) (*Events of Default – Restrictive Events of Default*) above or to prove in the winding up of the Issuer except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such winding up, fails to do so, in each case within a reasonable period, and in each such case such failure shall be continuing, then any such holder may himself institute such proceedings or take such steps or actions and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of his Notes and/or Coupons. In the case of Tier 2 Capital Notes and any Series of Senior Notes where the relevant Final Terms specify that Condition 15(b) (*Events of Default – Restrictive Events of Default*) applies, no remedy against the Issuer other than the institution of the proceedings referred to in Condition 15(b) (*Events of Default – Restrictive Events of Default*) above or proving in the winding up of the Issuer, shall be available to the Trustee or the Holders of such Notes or the Coupons (if any) appertaining thereto whether for the recovery of amounts owing in respect of such Notes or Coupons or under the Trust Deed in relation thereto (other than in the case of any amounts due to the Trustee in respect of its costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof) or in respect of any breach by the Issuer of any of its other obligations under or in respect of such Notes or Coupons or under the Trust Deed in relation thereto.

16. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

17. **Replacement of Notes and Coupons**

If any Note, Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and for so long as the Notes are admitted to listing and/or trading by the competent listing authority and/or stock exchange which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by the competent listing authority and/or stock exchange), subject to all applicable laws and competent listing authority and/or stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates or Coupons or Talons must be surrendered before replacements will be issued.

18. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded before taking any steps or actions or initiating any proceedings and relieved from responsibility in certain circumstances and to be paid its costs, fees and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agent of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Agent Bank (if any) is specified in the relevant Final Terms. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Agent Bank and additional or successor paying agents; **provided, however, that:**

- (i) the Issuer shall at all times maintain a Principal Paying Agent, a Registrar and a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU Service;
- (ii) if an Agent Bank is specified in the relevant Final Terms, the Issuer shall at all times maintain an Agent Bank; and
- (iii) for so long as the Notes are admitted to listing and/or trading by the competent listing authority and/or stock exchange which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by the competent listing authority and/or stock exchange.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 21 (*Notices*).

19. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (a) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions by Extraordinary Resolution, except that the provisions relating to the Tier 2 Capital Notes shall only be capable of modification in accordance with Condition 19(d) (*Meetings of Noteholders; Modification and Waiver; Substitution – PRA notice or consent*) below.

Such a meeting may be convened by the Issuer or by the Trustee and, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction, shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trust Deed contains provisions for convening a single meeting of the holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

- (b) **Modification and waiver:** Subject to certain exceptions and Condition 19(d) (*Meetings of Noteholders; Modification and Waiver; Substitution – PRA notice or consent*) below, the Trustee may, without the consent of the Noteholders, agree to any modification of the Trust Deed or the Notes (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to Condition 7(g) (*Floating Rate Provisions and Benchmark Replacement – Benchmark Replacement*) in connection with implementing any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 7(g) (*Floating Rate Provisions and Benchmark Replacement – Benchmark Replacement*) without the requirement for the consent or sanction of the Noteholders. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the Trustee may determine, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto (except as set out in the Trust Deed), that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders would not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

- (c) **Substitution:** Subject to (i) Condition 19(d) (*Meetings of Noteholders; Modification and Waiver; Substitution – PRA notice or consent*) below, (ii) such amendment of the Trust Deed and (iii) such other conditions as the Trustee may require, but without the consent of the Noteholders, the Trustee may also agree, subject to such Notes and Coupons being or, where appropriate, remaining irrevocably guaranteed by the Issuer (on a subordinated basis in the case of Tier 2 Capital Notes), to the substitution of any subsidiary of the Issuer in place of the Issuer as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes.

In the case of a substitution under this Condition 19 (*Meetings of Noteholders; Modification and Waiver; Substitution*), the Trustee may agree, without the consent of the holders of the Notes of the relevant Series or of the Coupons (if any) appertaining thereto, to a change of the law governing such Notes and/or Coupons and/or the Trust Deed in so far as it relates to such Notes **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the holders of the Notes of such Series.

- (d) **PRA notice or consent:** The provisions relating to the Tier 2 Capital Notes shall only be capable of modification or waiver and the Issuer of Tier 2 Capital Notes may only be substituted in accordance with Condition 19(c) (*Meetings of Noteholders; Modification and Waiver; Substitution – Substitution*) above, if the Issuer has notified the PRA of such

modification, waiver or substitution and/or obtained the prior consent of the PRA, as the case may be, (if such notice and/or consent is then required by the Capital Regulations). Wherever such modification or waiver of the Tier 2 Capital Notes is proposed, a meeting of Holders in respect thereof is proposed or a substitution of the Issuer of the Tier 2 Capital Notes is proposed in accordance with Condition 19(c) (*Meetings of Noteholders; Modification and Waiver; Substitution – Substitution*) above, the Issuer shall provide to the Trustee a certificate signed by two Authorised Signatories, certifying either that (i) it has notified the PRA of, and/or received the PRA's consent to such modification, waiver or substitution, as the case may be; or (ii) that the Issuer is not required to notify the PRA of, and/or obtain the PRA's consent to, such modification, waiver or substitution. The Trustee shall be entitled to rely absolutely on such certificate without further enquiry and without liability for so doing.

- (e) ***Effect for the Holders:*** Any such modification, waiver, authorisation or substitution shall be binding on all the Noteholders and Couponholders of the relevant Series and, unless the Trustee agrees otherwise, shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 21 (*Notices*).

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

20. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

21. **Notices**

- (a) ***Bearer Notes:*** Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) ***Registered Notes:*** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from

such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of any Note by virtue of the Contracts (Rights of Third Parties) Act 1999.

24. **Governing Law and Jurisdiction**

(a) **Governing law:** The Notes and the Trust Deed, and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed, are governed by English law.

(b) **Jurisdiction:** The parties to the Trust Deed have (i) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes; and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA that the Notes [are]/[are not] "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

Final Terms dated [•]

BARCLAYS PLC

Legal entity identifier (LEI): 213800 LBQA 1Y9L22JB70

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the **£60,000,000,000 Debt Issuance Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 5 March 2019 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended or superseded, and as implemented by any relevant implementing measure in the relevant Member State (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

have been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>].

[Terms used herein shall be deemed to be defined as such for the purposes of the [date] [2018]/[2017 Amended]/[November 2017]/[January 2018] Conditions (the "**Conditions**") incorporated by reference in the base prospectus dated 5 March 2019. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated 5 March 2019 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended or superseded and as implemented by any relevant implementing measure in the relevant Member State (the "**Prospectus Directive**"), save in respect of the Conditions which are set forth in the base prospectus dated [•] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus, the base prospectus dated [•], including the Conditions, and these Final Terms have been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>].

[The following language applies if the relevant Series of Notes is intended to be "qualifying debt securities" (as defined in the Income Tax Act, Chapter 134 of Singapore):

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), shall not apply if such person acquires the Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

- | | | |
|----|--|--|
| 1. | (i) Issuer: | Barclays PLC |
| 2. | [(i) Series Number:] | [•] |
| | [(ii) Tranche Number:] | [•] |
| | (iii) Date on which the Notes become fungible: | Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [•] below [which is expected to occur on or about [•]].] |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | [•] |
| | [(i) [Series]: | [•] |
| | [(ii) Tranche: | [•]] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] |
| 6. | (i) Specified Denominations: | [•] |

- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: [•]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [Reset Notes]
- [[EURIBOR]/ [LIBOR]/ [SONIA]/ [SOFR]/ [BBSW]/ [SHIBOR]/ [CHIBOR]/ [CNH HIBOR]/ [TIBOR]/ [STIBOR]/ [SGD SOR]/ [HIBOR]/ [CDOR]/ [NIBOR]/ [JIBAR]/ +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph 16/17/18/19 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[•]/[100]] per cent. of their nominal amount.
11. Change of Interest or Redemption/Payment Basis: [•]/Not Applicable
12. Put/Call Options: [Investor Put]
- [Issuer Call]
- [Not Applicable]
13. [(i)] Status of the Notes: [Senior/Tier 2 Capital Notes]
- [(ii)] [Date [Board] approval for issuance of Notes obtained:] [•]
14. Senior Notes Waiver of Set-off: [Applicable/Not Applicable]
15. Condition 15(b) (*Restrictive Events of Default*): [Applicable to Senior Notes only][Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable/Applicable from [•] to [•] [if so elected by the Issuer on or before [•]]]
- (i) Rate[(s)] of Interest: [•] per cent. Per annum [payable [annually/semi-annually/quarterly/monthly/[•] in arrear on each Interest Payment Date]
- (ii) (A) Interest Payment Date(s): [•] [and [•]] in each year [adjusted in accordance with [•]/not adjusted]
- (B) Interest Payment Date adjustment (for Renminbi [Applicable/Not Applicable]

or Hong Kong dollar-denominated Notes):

- (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount payable on each Interest Payment Date] / [Each Fixed Coupon Amount shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest [CNY0.01]/[HK\$0.01], [CNY0.005]/[HK\$0.005] being rounded upwards]
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360]
- (vi) Party responsible for calculating the amount payable [upon Illiquidity, Inconvertibility or Non-transferability]: [•] of [•] shall be the Agent Bank
17. **Reset Note Provisions** [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date[[in each case,] subject to adjustment in accordance with paragraph 17(xv)]
- (iii) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[•] per Calculation Amount]/[Not Applicable]
- (iv) Broken Amount(s): [[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]]/[Not Applicable]
- (v) Reset Reference Rate: [Mid-Swap Rate] [and] [Reference Bond Rate] [as the fallback Reset Reference Rate to the Mid-Swap Rate]
- (vi) First Reset Date: [•] [subject to adjustment in accordance with paragraph 17(xv)]
- (vii) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[30E/360 (ISDA)]
- (viii) Subsequent Reset Date(s): [•] [and [•]] [subject to adjustment in accordance with paragraph 17(xv)]/[Not Applicable]
- (ix) [Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]]

	(a)	[Mid-Swap Maturity:	[•]]
	(b)	[Mid-Swap Floating Leg Benchmark Rate:	[EURIBOR/ LIBOR/ SONIA/ SOFR/ BBSW/ SHIBOR/ CHIBOR/ CNH HIBOR/ TIBOR/ STIBOR/ SGD SOR/ HIBOR/ CDOR/ NIBOR/ JIBAR]
	(c)	Relevant Screen Page:	[•]
	(d)	[First Margin:	[+/-][•] per cent. per annum]
	(e)	[Subsequent Margin:	[[+/-][•] per cent. per annum]/[Not Applicable]]
	(x)	[Reference Bond Rate:	[Applicable]/[Not Applicable]
	(a)	[Reset Reference Bond:	[•]]
	(b)	[First Margin:	[+/-] [•] per cent. per annum]
	(b)	[Subsequent Margin:	[[+/-][•] per cent. per annum]/[Not Applicable]]]
	(xi)	Reference Banks:	[•]
	(xii)	Reset Determination Dates:	[•]
	(xiii)	Minimum Rate of Interest:	[•] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[•] per cent. per annum
	(xv)	Additional Business Centre(s):	[Not Applicable/[•]]
	(xvi)	Reset Determination Time:	[•]
	(xvii)	Agent Bank:	[•]
18.		Floating Rate Note Provisions	[Applicable/Not Applicable/Applicable from [•] to [•] [if so elected by the Issuer on or before [•]]]
	(i)	Specified Period(s):	[•]
	(ii)	Specified Interest Payment Dates:	[•]
	(iii)	First Interest Payment Date:	[•]
	(iv)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]
	(v)	Additional Business Centre(s):	[Not Applicable/[•]]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]):	[Principal Paying Agent / [•]]

(viii)	Screen Rate Determination:	
	• Reference Rate:	[EURIBOR/ LIBOR/ SONIA/ SOFR/ BBSW/ SHIBOR/ CHIBOR/ CNH HIBOR/ TIBOR/ STIBOR/ SGD SOR/ HIBOR/ CDOR/ NIBOR/ JIBAR/]
	• Reference Bank(s):	[•]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[[•] in the Relevant Financial Centre]/[as per the Conditions]
	• Relevant Financial Centre:	[London/Brussels/Sydney/Shanghai/Hong Kong/Tokyo/Stockholm/Singapore/Toronto/ Oslo/Johannesburg]
(ix)	ISDA Determination:	
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
	• ISDA Benchmarks Supplement:	[Applicable]/[Not Applicable] 2006
	• ISDA Definitions:	
(x)	[Linear Interpolation:	Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)]
19.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i) Accrual Yield:	[•] per cent. per annum
	(ii) Reference Price:	[•]
	(iii) Day Count Fraction in relation to early Redemption Amounts:	[30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)]

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s) (Call):	[[•]/[Any date from and including <i>[date]</i> to but excluding <i>[date]</i>]
	(ii) Optional Redemption Amount (Call):	[[•] per Calculation Amount/Make Whole Redemption Price] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from and including <i>[date]</i> to but excluding <i>[date]</i>] [and [[•] per Calculation Amount/Make Whole Redemption Price] [in the case of the Optional Redemption Date(s) falling [on [•]]/in the period from and including <i>[date]</i> to but excluding the Maturity Date]]
	(iii) Make Whole Redemption Price:	[Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount/Not Applicable]
	(a) Redemption Margin:	[•] per cent.
	(b) Reference Bond:	[•]
	(c) Quotation Time:	[•]
	(d) Relevant Make Whole Screen Page:	[•] / [Not Applicable]
	(e) Reference Date:	[•]/[as per the Conditions]
	(iv) Redeemable in part:	[Applicable/Not Applicable/ <i>provide details</i>]
	(a) Minimum Redemption Amount:	[[•] per Calculation Amount] [Not Applicable]
	(b) Maximum Redemption Amount:	[[•] per Calculation Amount] [Not Applicable]
	(v) Notice period:	Minimum period: [[•] days]/[as per the Conditions] Maximum period: [[•] days]/[as per the Conditions]
	(vi) Optional Redemption Amount (Regulatory Event):	[•] per Calculation Amount
	(vii) Early Redemption Amount (Tax):	[•] per Calculation Amount
	(viii) Optional Redemption Amount (Loss Absorption Disqualification Event) (for Senior Notes only):	[[•] per Calculation Amount] / [Not Applicable]
21.	Put Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s) (Put):	[•]

- | | | |
|-------|---------------------------------------|---|
| (ii) | Optional Redemption Amount (Put): | [•] per Calculation Amount |
| (iii) | Notice period: | Minimum period: [•] days
Maximum period: [•] days |
| 22. | Final Redemption Amount of each Note: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per Calculation Amount |
| 23. | Early Termination Amount: | [[•] per Calculation Amount] [Not Applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|----------------|--|
| 24. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note]</p> <p>Registered Notes:</p> <p>[Unrestricted Global Certificate exchangeable for Unrestricted Individual Certificates in the limited circumstances described in the Unrestricted Global Certificate]</p> <p>[and]</p> <p>[Restricted Global Certificate exchangeable for Restricted Individual Certificates in the limited circumstances described in the Restricted Global Certificate]</p> <p>[and]</p> <p>[Restricted Global Certificate [(U.S.\$ [•]/Euro [•] nominal amount)] registered in the name of a nominee for [DTC].][and]</p> <p>[Unrestricted Global Certificate [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))][Individual Certificates]</p> |
|-----|----------------|--|

25. New Global Note: [Yes] [No]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[•]]
27. Talons for future Coupons to be attached to Definitive Notes: [Yes/No]
28. Spot Rate: [Not Applicable] / [CNHFIX Spot Rate / TRADCNY3 Spot Rate]
29. Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation]/[Not Applicable]

SIGNED on behalf of **BARCLAYS PLC**:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market]/[the International Securities Market] of the London Stock Exchange with effect from [•].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market]/[the International Securities Market] of the London Stock Exchange with effect from [•].]

(ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings:

The Notes to be issued [are expected to be rated]/ [have not been rated]/ [have been rated:]

[S&P Global Ratings Europe Limited ("**Standard & Poor's**")]: [•]

[Moody's Investors Service Ltd. ("**Moody's**")]: [•]

[Fitch Ratings Limited ("**Fitch**")]: [•]

[Rating and Investment Information, Inc. ("**R&I**")]: [•]

[The short term unsecured obligations of the Issuer are rated [•] by Standard & Poor's, [•] by Moody's and [•] by Fitch, and the unsecured unsubordinated long-term obligations of the Issuer are rated [•] by Standard & Poor's, [•] by Moody's and [•] by Fitch. [The Issuer has been rated [•] by R&I.]

[Each of] [Moody's], [Standard & Poor's] and [Fitch] is established in the European Economic Area (the "**EEA**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's, Standard & Poor's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. [R&I is not established in the EEA and is not certified under the CRA Regulation and the rating it has given to [the Issuer / the Notes] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest that is material to the offer.

The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]/[Not Applicable]

4. **USE OF PROCEEDS**

[The net proceeds of the issue will be used for general corporate purposes of the Issuer and its subsidiaries and/or the Group and may be used to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group].

[More particularly, an amount of funding [which represents the sterling equivalent of][equal to] the net proceeds of the issue of the Notes (as at the date of issuance) will be allocated to [Barclays Bank UK PLC]/[•] as funding for the [financing and/or re-financing] of Eligible Mortgage Assets.]

[A sterling equivalent amount of any][The] net proceeds (as at the date of issuance) which, from time to time, are not allocated as funding for the purpose described above will be used in a liquidity pool within the Group pending allocation as funding towards the [financing and/or] re-financing of Eligible Mortgage Assets, as described above. The Issuer does not undertake to ensure that there is at all times a sufficient aggregate amount of Eligible Mortgage Assets to allow for allocation of funding representing the net proceeds of the issue of the Notes in full.

[The Eligibility Criteria have been designed by the Issuer to meet the ICMA Green Bond Principles and the Climate Bond Standards as at the date of issuance of the Notes.]

[Carbon Trust Assurance Limited (the "**Carbon Trust**") has provided a second party opinion in which they have confirmed that the Issuer's Green Bond Framework meets the ICMA Green Bond Principles (applicable as at the date of issuance of the Notes).]

[The Carbon Trust (who are a qualified and approved Climate Bond Initiative ("**CBI**") verifier) has produced a report of factual findings dated [•] in relation to conformance of the proposed issuance of Notes and the Issuer's Green Bond Framework with the pre-issuance requirements of the Climate Bonds Standard Version 2.1. On the basis of this report, a Pre-Issuance Certification has been obtained from the CBI.]

The Issuer will publish an investor report annually for each issuance of notes in line with annual results. It is intended that each investor report will be accompanied by an independent assurance report.

All opinions and assurance reports will be made available on the Issuer's Investor Relations website.

"Eligibility Criteria" means:

[Residential properties in England and Wales that have been originated within the last [3]/[•] years prior to the issuance date and are at or below the estimated "carbon intensity maximum" of [24.8]/[•] kgCO₂/m²/year based on the following carbon intensity formula:

$$y = ax+b$$

where:

a = annual reduction in carbon intensity (kgCO₂/m²/year) to reach [2050]/[•] target

b = baseline carbon intensity for the EPC dataset

x = [•], being the mid-point of the bond maturity; and

y = carbon intensity, kgCO₂/m²/year.

This formula derives a "carbon intensity maximum". Properties at or below this maximum, are estimated to be in the top [15]/[•] per cent. of the lowest carbon intensive buildings in England and Wales in terms of estimated emissions performance in their local market on the date of these Final Terms. They are therefore deemed to meet the Eligibility Criteria, based on Energy Performance Certificate data.]/[•]

"**Eligible Mortgage Assets**" means:

[Mortgages on residential properties which meet the Eligibility Criteria and are not used by the Group as collateral in any transaction.]/[•]

/[•].

5. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

[The indicative yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] / [The indicative yield is calculated at the Issue Date on the basis of an assumed Issue Price of 100%. It is not an indication of an individual investor's actual or future yield.]

6. **OPERATIONAL INFORMATION**

(i) CUSIP Number [•] [Not Applicable]

(ii) ISIN: [•]

(iii) Common Code: [•]

(iv) [FISN: [•]

(v) [CFI Code: [•]

(vi) CINS Code: [•] [Not Applicable]

(vii) CMU Instrument Number: [•] [Not Applicable]

(ix) Any clearing system(s) other than Euroclear, Clearstream Luxembourg, DTC or the CMU Service and the relevant identification number(s): [Not Applicable]/[•]

(x) Delivery: Delivery [against/free of] payment

(xi) Names and addresses of additional Paying Agent(s) (if any): [•]

(xii) Green Notes: [Yes / No]

(xiii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common

safekeeper,] [*include this text for registered notes*]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **DISTRIBUTION**

- (i) U.S. Selling Restrictions: [Reg. S Compliance Category [•]/ TEFRA C/TEFRA D / TEFRA not applicable]
- (ii) Method of distribution: [Syndicated/Non-syndicated]
- (iii) If syndicated [Not Applicable]/[•]
 - (a) Names of Managers: [Not Applicable]/[•]
 - (b) Stabilisation Manager(s) (if any): [Not Applicable]/[•]
- (iv) If non-syndicated, name and address of Dealer: [Not Applicable]/[•]

USE OF PROCEEDS

The net proceeds of the issue of each Series of Notes will be used for general corporate purposes of the Issuer and its subsidiaries and/or the Group, and may be used to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group, as may be more specifically set out in the Final Terms.

THE ISSUER AND THE GROUP

The Issuer is a public limited company registered in England and Wales under number 48839. The liability of the members of the Issuer is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom, (telephone number +44 (0)20 7116 1000). Tracing its origins to 17th century London, the Issuer has evolved from a group of English partnerships into a global bank. The Issuer was incorporated on 20 July 1896 under the Companies Acts 1862 to 1890. The Issuer is the ultimate holding company of the Group.

The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group's two home markets of the UK and the US. The Group is organised into two clearly defined business divisions – Barclays UK and Barclays International. These are housed in two banking subsidiaries – Barclays UK sits within BBUKPLC and Barclays International sits within BBPLC – which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group.

Barclays UK offers everyday products and services to retail customers and small to medium sized enterprises based in the UK. Products and services designed for the Group's larger corporate, wholesale and international banking clients are offered by Barclays International.

Legal Proceedings

For a description of the governmental, legal or arbitration proceedings that the Issuer and the Group face, see Note 25 (*Provisions*) and Note 27 (*Legal, competition and regulatory matters*) to the consolidated financial statements of the Issuer on pages 263 to 264 and pages 265 to 272, respectively, of the 2018 Annual Report.

Directors

The Directors of the Issuer, each of whose business address is 1 Churchill Place, London E14 5HP, United Kingdom, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows:

<u>Name</u>	<u>Function(s) within the Issuer</u>	<u>Principal outside activities</u>
John McFarlane	Group Chairman ²	Member, Supervisory Board of Unibail-Rodamco-Westfield S.E.; Director, Old Oak Holdings Limited; Chairman, TheCityUK; Member, Financial Services Trade and Investment Board; Member, Institut International d'Etudes Bancaires;
James Staley	Group Chief Executive Officer and Executive Director	Board Member, Institute of International Finance, Inc.; Board Member, Bank Policy Institute
Michael Ashley	Non-Executive Director	Non-Executive Director, Barclays Capital Securities Limited; Member, International Ethics Standards Board for Accountants; Member, Institute of Chartered Accountants in England & Wales' Ethics Standards Committee; Member, The Charity Commission; Member, Cabinet Office Board

² On 2 November 2018, the Issuer announced that John McFarlane will retire as Chairman with effect from the conclusion of the Issuer AGM on 2 May 2019 and that Nigel Higgins has been appointed to succeed him.

<u><i>Name</i></u>	<u><i>Function(s) within the Issuer</i></u>	<u><i>Principal outside activities</i></u>
Tim Breedon	Non-Executive Director	Non-Executive Director, Barclays Capital Securities Limited; Chairman, Apax Global Alpha Limited
Sir Ian Cheshire	Non-Executive Director	Chairman, Barclays Bank UK PLC; Chairman, Maisons du Monde S.A.; Chairman, Menhaden Capital PLC; Lead non-executive director for the British Government; Trustee, Institute for Government
Mary Anne Citrino	Non-Executive Director	Non-Executive Director, Ahold Delhaize N.V.; Non-Executive Director, Alcoa Corporation; Non-Executive Director, Hewlett Packard, Inc
Mary Francis	Non-Executive Director	Non-Executive Director, EnscO plc; Advisory Panel Member, The Institute of Business Ethics; Member, UK Takeover Appeal Board
Crawford Gillies	Senior Independent Director and Non-Executive Director	Non-Executive Director, SSE plc; Chairman, The Edrington Group Limited
Nigel Higgins	Non-Executive Director and Chairman Designate	Non-Executive Director and Interim Chairman, Barclays Bank PLC; Chairman, Sadler's Wells; Non-Executive Director, Tetra Laval Group
Reuben Jeffery III	Non-Executive Director	Vice-Chairman, Rockefeller Capital Management; Director, Financial Services Volunteer Corps; Director, CQS Management Limited
Matthew Lester	Non-Executive Director	Non-Executive Director, Capita plc; Non-Executive Director, Man Group plc
Tushar Morzaria	Group Finance Director and Executive Director	Member, Main Committee of the 100 Group; Chair, Sterling Risk Free Reference Rates Working Group
Dambisa Moyo	Non-Executive Director	Non-Executive Director, Chevron Corporation; Non-Executive Director, 3M Company; Member of Investment Committee, Oxford University Endowment Fund
Diane Schueneman	Non-Executive Director	Non-Executive Director, Barclays US LLC; Chair, Barclays Services Limited
Michael Turner	Non-Executive Director	Chairman, Babcock International Group PLC; Member, UK Government's Apprenticeship Ambassadors Network

No potential conflicts of interest exist between any duties to the Issuer of the Directors listed above and their private interests or other duties.

UNITED KINGDOM TAXATION

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue & Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that might be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

United Kingdom Withholding Tax on United Kingdom Source Interest

1. Any Notes issued by the Issuer which carry a right to interest will constitute "**quoted Eurobonds**" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**")) or admitted to trading on a "multilateral trading facility" operated by an EEA-regulated stock exchange (within the meaning of section 987 of the Act). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

The London Stock Exchange is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom official list and admitted to trading on the Regulated Market of that Exchange. The Issuer's understanding is that the ISM is currently a multilateral trading facility for the purposes of section 987 of the Income Tax Act 2007 and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be admitted to trading on that market and it is and remains a multilateral trading facility for those purposes.

2. In all cases falling outside the exemptions described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent., subject to such relief or exemption as may be available). However, such withholding or deduction will not apply if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under a scheme of arrangement the effect or intention of which is to render such Notes part of a borrowing with a total term of a year or more.

Other Rules Relating to United Kingdom Withholding Tax

3. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element of such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal"

which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the relevant Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 19 (*Meetings of Noteholders; Modification and Waiver; Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

UNITED STATES FEDERAL INCOME TAXATION

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own or are treated as owning (directly or indirectly) 10 per cent. or more of the stock of the Issuer by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. Dollar). Moreover, the summary does not address the U.S. federal income tax treatment of any Notes for which payments of principal or interest are denominated in, or determined by reference to, more than one currency.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Special Rules Applicable to Certain Accrual Method Taxpayers

Pursuant to recent legislation (and, in the case of Notes issued with original issue discount for U.S. federal income tax purposes, for taxable years beginning after 31 December 2018), an accrual method taxpayer that reports revenues on an "applicable financial statement" generally must recognise income for U.S. federal income tax purposes no later than the taxable year in which such income is taken into account as revenue in the applicable financial statements. This rule could potentially require such a taxpayer to recognise income for U.S. federal income tax purposes prior to the time such income otherwise would be

recognised pursuant to the rules described below. U.S. holders should consult their own tax advisers regarding the potential applicability of these rules to their investment in the Notes.

Characterisation of the Notes

The determination whether an obligation represents a debt or equity interest is based on all the relevant facts and circumstances, and courts at times have held that obligations purporting to be debt constituted equity for U.S. federal income tax purposes. There are no regulations, published rulings or judicial decisions addressing the characterisation for U.S. federal income tax purposes of securities with terms substantially the same as the Tier 2 Capital Notes. The relevant Final Terms will indicate whether the Issuer intends to treat a particular series of Tier 2 Capital Notes as equity for U.S. federal income tax purposes.

Prospective purchasers should consult their tax advisers regarding the appropriate characterisation of any Tier 2 Capital Notes.

Notes Treated as Debt of the Issuer

The following discussion applies to Notes that are properly treated as debt obligations of the Issuer.

Payments of Interest

General

Interest on a Note, whether payable in U.S. Dollars or a currency, composite currency or basket of currencies other than U.S. Dollars (a "**foreign currency**"), other than interest on a Note with a term of one year or less (a "**Short-Term Note**") treated as issued with original issue discount ("**OID**") (a "**Discount Note**"), that is not interest which is unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*Original Issue Discount — Variable Interest Rate Notes*"), applied to the outstanding principal amount of the Note ("**qualified stated interest**"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes generally will constitute income from sources outside the United States.

Effect of United Kingdom Withholding Taxes

As discussed in "*United Kingdom Taxation*," under current law payments of interest in respect of certain Notes may be subject to United Kingdom withholding taxes. As discussed under "*Terms and Conditions of the Notes - Taxation*", the Issuer may become liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no United Kingdom withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders would be treated as having actually received the amount of United Kingdom taxes withheld by the Issuer with respect to a Note, and as then having actually paid over the withheld taxes to the United Kingdom taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for United Kingdom income taxes withheld by the Issuer. For purposes of the foreign tax credit limitation, foreign source income is classified by "baskets", and the credit for foreign taxes on income in a basket is limited to U.S. federal income tax allocable to that income. The foreign tax credit rules are very complex and prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of these United Kingdom taxes.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note, other than a Short-Term Note, will be treated as a Discount Note if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "*Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "*Original Issue Discount - General*," with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amount in excess of the principal amount of a Note, or for a Discount Note, its stated redemption price at maturity ("**amortisable bond premium**") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "**variable rate debt instrument**" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more

qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "**qualified inverse floating rate**" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "**current value**" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note (or a Discount Note) at an amortisable bond premium may elect to reduce the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note (or the Discount Note) by the amount of amortisable bond premium allocable (based on the Note/Discount Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount - Election to Treat All Interest as Original Issue Discount*".

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including Notes with a variable rate or rates that do not qualify as "variable rate debt instruments" as described above) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Note and the Note's projected payment schedule that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt Instrument equal to the comparable yield ("**projected payment schedule**"). The comparable yield is determined by the Issuer at the time of issuance of the Notes. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a projected payment schedule.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. Holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
 - the amount of all previous interest inclusions under the contingent payment debt instrument over
 - the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the two per cent. floor limitation imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realised on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any noncontingent payments and the projected amount (regardless of the actual amount) of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations.

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. Dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. Dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. Dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Market Discount

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. Dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. Dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Sale or Retirement

As discussed below under "*Purchase, Sale and Retirement of Notes*", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. Dollar cost of the Note. The U.S. Dollar

cost of a Note purchased with foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. Dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. Dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement. A U.S. Holder that does not determine its amount realised on the settlement date of the sale or exchange (as discussed in the preceding paragraph) will also recognise U.S. source exchange rate gain or loss on the difference between the U.S. Dollar amount realised and the U.S. Dollar value of the foreign currency on the date of receipt.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. Dollar value at the time it is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. Dollars) will be U.S. source ordinary income or loss.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of interest, and the amount, timing, source and character of any gain or loss on a contingent debt instrument that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue interest in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "*Contingent Payment Debt Instruments*". The amount of interest on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

Interest accrued on a Foreign Currency Contingent Note will be translated into U.S. Dollars under translation rules similar to those described above under "*Foreign Currency Notes*". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. Dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid interest will be translated into U.S. Dollars at the same rate at which the interest was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid interest, the negative adjustment will be treated as offsetting interest that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. Dollars at the spot rate on the date the Foreign Currency

Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Purchase, Sale and Retirement of Notes - Other than Contingent Payment Debt Instruments

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "*Original Issue Discount - Market Discount*" or "*Original Issue Discount - Short Term Notes*" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any United Kingdom capital gains tax imposed on a sale or disposition. Prospective purchasers should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this United Kingdom capital gains tax.

For Notes that are contingent payment debt instruments (other than "*Foreign Currency Contingent Notes*"), see treatment above under "*Contingent Payment Debt Instruments*".

Purchase, Sale and Retirement of Notes - Foreign Currency Contingent Notes

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. Dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. Dollars at the spot rate on the issue date), (ii) increased by the amount of interest previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. Dollars using the exchange rate applicable to such interest) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. Dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued interest to which prior amounts have not already been allocated and translating those amounts into U.S. Dollars at the rate at which the interest was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. Dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued interest reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. Dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more interest components, based on the principal and interest comprising the U.S. Holder's basis, with the amount realised allocated first to interest (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. Dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued interest (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. Dollars using the exchange rate used with respect to the corresponding principal or accrued interest. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. Dollars using the spot rate on the

payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued interest to which such payment relates.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Accordingly, if a U.S. Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS and maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

Notes Treated as Equity in the Issuer

The relevant Final Terms will indicate whether any particular Series of Tier 2 Capital Notes should properly be treated as equity interests in the Issuer for U.S. federal income tax purposes. The following discussion applies to Notes that are properly treated as equity of the Issuer.

Payments of Interest

General

Subject to the PFIC rules discussed below, payments of interest paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any United Kingdom withholding tax paid by the Issuer with respect thereto, will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Payments of interest in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Notes and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any payments of interest by the Issuer with respect to Notes will constitute ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any payments of interest received from the Issuer.

Payments of interest that are treated as dividends paid by the Issuer will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to capital gains, provided the Issuer qualifies for the benefits of the income tax treaty between the United States and the United Kingdom. A U.S. Holder will be eligible for this reduced rate only if it satisfies certain holding period requirements. A U.S. Holder will not be able to claim the reduced rate for any year in which the Issuer is treated as a PFIC. See "*Passive Foreign Investment Company Considerations*" below.

Foreign Currency Interest

Interest paid in a foreign currency will be included in income in a U.S. Dollar amount calculated by reference to the exchange rate in effect on the day the payment is received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. Dollars at that time. If interest received in a foreign currency is converted into U.S. Dollars on the day it is received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the interest income.

Effect of United Kingdom Withholding Taxes

As discussed in "*United Kingdom Taxation*", under current law payments of interest in respect of certain Notes may be subject to United Kingdom withholding taxes. As discussed under "*Terms and Conditions of the Notes - Taxation*", the Issuer may become liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no United Kingdom withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of United Kingdom taxes withheld by the Issuer, and as then having paid over the withheld taxes to the United Kingdom taxing authorities. As a result of this rule, the amount of income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

A U.S. Holder will generally be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for United Kingdom income taxes withheld by the Issuer. For purposes of the foreign tax credit limitation, foreign source income is classified by "baskets", and the credit for foreign taxes on income in a basket is limited to U.S. federal income tax allocable to that income. The foreign tax credit rules are very complex and prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of United Kingdom taxes, and of receiving a payment of interest from the Issuer that is treated as a dividend eligible for the special reduced rate described above under "*Payments of Interest - General*".

Sale or other Disposition

A U.S. Holder's tax basis in a Note will generally be its U.S. Dollar cost. The U.S. Dollar cost of a Note purchased with foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Subject to the PFIC rules discussed below, upon a sale or other disposition of Notes, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Notes. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. However, regardless of a U.S. Holder's actual holding period, in certain circumstances any loss may be long-term capital loss to the extent the U.S. Holder receives a payment of interest treated as a dividend that qualifies for the reduced rate described above under "*Payments of Interest - General*". Any gain or loss will generally be U.S. source.

The amount realised on a sale or other disposition of Notes for an amount in foreign currency will be the U.S. Dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Notes traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Note will have a tax basis equal to its U.S. Dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal

to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. Dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

A foreign corporation will be a "passive foreign investment company" (a "**PFIC**") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Issuer does not believe that it should be treated as a PFIC. Although interest income is generally passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. The Issuer believes that it currently meet these requirements. The Issuer's possible status as a PFIC must be determined annually, however, and may be subject to change if the Issuer fails to qualify under this special rule for any year in which a U.S. Holder holds Notes. If the Issuer were to be treated as a PFIC in any year, U.S. Holders of Notes would be required (i) to pay a special U.S. addition to tax on certain payments of interest and gains on sale and (ii) to pay tax on any gain from the sale of Notes at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, payments of interest treated as dividends paid by the Issuer would not be eligible for the special reduced rate of tax described above under "*Payments of Interest - General*". Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

Substitution of the Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the fair market value at that time of the U.S. Holder's Notes, and the U.S. Holder's tax basis in those Notes. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8 per cent. tax (the "**Medicare Tax**") on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.\$125,000 and U.S.\$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include the interest payments on the Notes (even if they are treated as dividends for tax purposes as described above) and the U.S. Holder's net gains from the sale, exchange, redemption or maturity of the Notes, unless such net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders are urged to consult their tax advisers regarding the applicability of the Medicare Tax to their net investment income in respect of an investment in the Notes.

Information Reporting and Backup Withholding

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

U.S. Holders should consult their tax advisers as to any information reporting or special tax filing obligations they may have as a result of acquiring, owning or disposing of Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

OTHER TAX CONSIDERATIONS

The following is a general description of certain Singapore and EU tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("IRAS"), and the Monetary Authority of Singapore ("MAS") as at the date of this Base Prospectus and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars occurring after such date, which changes could be made on a retroactive basis. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of Notes or of any person acquiring, selling or otherwise dealing with Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders and holders of Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealers and any other persons involved in the Programme or any issuance of Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, with respect to any Tranche of Notes issued as debt securities under this Programme (the "**Relevant Notes**") during the period from the date of this Base Prospectus to 31 December 2023 where, pursuant to the ITA, more than half of the issue of such Relevant Notes is distributed by one or more Financial Sector Incentive (Capital Market) Companies (as defined in the ITA), Financial Sector Incentive (Standard Tier) Companies (as defined in the ITA) and/or Financial Sector Incentive (Bond Market) Companies (as defined in the ITA), such Relevant Notes would be QDS for the purposes of the ITA, to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using funds and profits of that person's operations through the permanent establishment in Singapore), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
 - (i) the Issuer including, in all offering documents relating to the Relevant Notes, a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (a) if during the primary launch of any Tranche of Relevant Notes, the Relevant Notes of such Tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes are beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and
- (b) even though a particular Tranche of Relevant Notes are QDS, if, at any time during the tenure of such Tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by:
 - (i) any related party(ies) of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party(ies) of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

All foreign-sourced income received in Singapore on or after 1 January 2004 by Singapore tax-resident individuals will be exempt from income tax, provided such foreign-sourced income is not received through a partnership in Singapore.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from such Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Noteholders who apply or are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**") or Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "*Adoption of FRS 39 and FRS 109 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39 and FRS 109 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition & Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Noteholders who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of any Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC (in its role as Arranger and Dealer), Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc and UBS AG London Branch, or such other dealers as may be appointed either generally in respect of the Programme or in relation to a particular Tranche of Notes (together, the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Distribution Agreement dated 10 October 1995, as most recently amended and restated on or about 5 March 2019 (as amended, restated, modified and/or supplemented from time to time, the "**Distribution Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. In relation to an issuance of a particular Tranche of Notes, the Issuer will enter into a Relevant Agreement (as defined in the Distribution Agreement) with the relevant Dealer(s), pursuant to which the relevant Dealer(s) may be entitled in certain circumstances to be released and discharged from their obligations under the Relevant Agreement prior to the closing of the issue of the particular Tranche of Notes. Notes so subscribed under the Relevant Agreement may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Distribution Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Notes may also be issued by the Issuer through all or any of the Dealers acting as agents. In addition, the Distribution Agreement provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all or any of the Dealers by the Issuer or, in relation to itself, by any Dealer, at any time on giving not less than 30 days' written notice.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed (and each additional Dealer named in the relevant Final Terms will be required to represent and agree) that in addition to the relevant U.S. Selling Restrictions set forth below:

- (a) except to the extent permitted under U.S. Treasury Regulations section 1.163 5(c)(2)(i)(D) (the "**TEFRA D Rules**"), it has not offered or sold, and during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a U.S. person;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person (except to the extent permitted under the TEFRA D Rules);
- (c) if it is a U.S. person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance, and if it retains Notes in bearer form for its own account, it will do so in accordance with the requirements of the TEFRA D Rules;

- (d) with respect to each affiliate or distributor that acquires Notes in bearer form from the Dealer for the purpose of offering or selling such Notes during the restricted period, the Dealer either repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such distributor for the benefit of the Issuer the representations and agreements contained in such paragraphs; and
- (e) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in sub-clauses (a), (b), (c), (d) and (e) of this paragraph from any person other than its affiliate with whom it enters into a written contract, (a "**distributor**" as defined in U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Notes.

Terms used in this section shall have the meanings given to them by the Internal Revenue Code and the regulations thereunder, including the TEFRA D Rules.

Where the rules under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") are specified in the relevant Final Terms as being applicable in relation to any Notes, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer has represented and agreed (and each additional Dealer named in the relevant Final Terms will be required to represent and agree) that, in connection with the original issuance of the Notes:

- (a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and
- (b) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

Each Dealer has represented and agreed that and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Distribution Agreement, it has not offered, sold or in the case of Bearer Notes delivered and will not offer, sell or in the case of Bearer Notes deliver the Notes (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes or the relevant issue date, other than in accordance with Rule 903 of Regulation S under the Securities Act and Rule 144A or any other available exemption from registration under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer and its affiliates also agree that it will have sent to each dealer to which it sells Notes during the distribution compliance period other than resales pursuant to Rule 144A relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such sale is made otherwise than in accordance with Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer represented and undertook that neither it nor any of its affiliates, nor any person acting on its or their behalf has engaged or will engage in any form of "general solicitation" or "general advertising" (within the meaning of Regulation D) in connection with any offer and sale of Securities in the United States.

The Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S. Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange, through their U.S.-registered broker dealer affiliates, for the offer and resale of Registered Notes to QIBs in the United States pursuant to Rule 144A. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the

Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant la service d'investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

The People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly within the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan (the "**PRC**")). This Base Prospectus, the Notes and any material or information contained or incorporated by reference herein in relation to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. Neither this Base Prospectus nor any material or information contained or incorporated by reference herein constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Notes may only be invested by or sold to PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and other regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**"), other than (a) to "professional investors" as defined in the SFO and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended

to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or the Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act and complies with the terms of any authority granted under the Banking Act of 1959 of Australia;
- (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Australian Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Norway

The Notes have not been registered with the Norwegian Central Securities Depository (the "VPS"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes denominated in Norwegian Kroner within Norway or in any other circumstance which would require the Notes to be registered with the VPS pursuant to Norwegian law and regulations. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes within Norway or to or for the account or benefit of persons domiciled in Norway.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) ("**Regulation No. 11971**"); or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

- 1. be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); and
- 2. comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

General

With the exception of the approval by the FCA of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no representation is made that any action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession, or distribute such offering material, in all cases at their own expense.

The Distribution Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Notes) or (in any other case) in a supplement to the Base Prospectus.

The Issuer has given an undertaking to the Dealers in connection with the listing of any Notes on the Official List to the effect that if after preparation of the Base Prospectus for submission to the FCA it becomes aware that there is a significant new factor, material mistake or inaccuracy relating to the information contained in the Base Prospectus published in connection with the admission of any of the Notes to the Official List, it shall give to each Dealer full information about such change or matter and shall publish a supplementary Base Prospectus as may be required by the FCA, under Section 87G(2) of the FSMA or by the prospectus rules made by the FCA and shall otherwise comply with section 87G of the FSMA and the prospectus rules in that regard and shall supply to each Dealer such number of copies of the supplementary Base Prospectus as it may reasonably request.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

Regulation S Notes

Each purchaser of Bearer Notes or Unrestricted Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) it is, or at the time Notes are purchased will be, the beneficial owner of such Notes and:
 - (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S); and
 - (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (ii) it understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such Notes except:
 - (a) in an offshore transaction to non-U.S. persons occurring outside the United States in accordance with Rule 903 or Rule 904 of Regulation S; or
 - (b) to the Issuer; or
 - (c) in the case of Unrestricted Registered Notes only, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB,

in each case in accordance with any applicable securities laws of any State of the United States;

- (iii) it understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION UNDER THE SECURITIES ACT."; AND

- (iv) it understands that the Issuer, the Trustee, the Registrars, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

On or prior to the fortieth day after the later of the commencement of the offering of the Notes or the relevant issue date, Notes represented by an interest in an Unrestricted Global Certificate may be transferred to a person who wishes to hold such Notes in the form of an interest in a Restricted Global Certificate only upon receipt by the relevant Registrar of a written certification from the transferor (in the form set out in Schedule 5 (*Form of Transfer Certificate*) to the Trust Deed) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Global Certificate, as described above under "*Forms of the Notes*".

Notes represented by an interest in a Restricted Global Certificate may also be transferred to a person who wishes to hold such Notes in the form of an interest in an Unrestricted Global Certificate, but only upon receipt by the relevant Registrar of a written certification from the transferor (in the form set out in Schedule 5 (*Form of Transfer Certificate*) to the Trust Deed) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act.

Any interest in a Note represented by an Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Note represented by a Restricted Global Certificate will, upon transfer, cease to be an interest in a Note represented by an Unrestricted Global Certificate and become an interest in a Note represented by a Restricted Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Notes represented by a Restricted Global Certificate.

Rule 144A Notes

Each purchaser of Restricted Registered Notes in reliance on Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged as follows (terms used in the following paragraphs that are defined in Rule 144A have the respective meanings given to them in Rule 144A):

- (i) the purchaser is (a) a QIB, (b) acquiring the Notes for its own account or for the account of one or more QIBs, (c) not formed for the purpose of investing in the Notes or the Issuer and (d) is aware, and each beneficial owner of such Notes has been advised that the sale of the Notes to it is being made in reliance on Rule 144A;
- (ii) the purchaser understands that (1) the Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) pursuant to an effective registration statement under the Securities Act or (e) to the Issuer or any of its affiliates, in each case in accordance with any applicable securities laws of any State of the United States and (2) it will, and each subsequent holder of the Restricted Registered Notes is required to, notify any purchaser of the Restricted Registered Notes from it of the resale restrictions applicable to the Restricted Registered Notes;
- (iii) the purchaser understands that the Restricted Global Certificate and any restricted Individual Certificate (a "**Restricted Individual Certificate**") will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE OR (5) TO THE ISSUER OR ITS AFFILIATES.

- (iv) if it is acquiring any Notes for the account of one or more QIBs the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (v) the purchaser understands that the Issuer, the Trustee, the Registrars, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Upon the transfer, exchange or replacement of a Restricted Global Certificate or a Restricted Individual Certificate, or upon specific request for removal of the legend, the Issuer will deliver only a Restricted Global Certificate or one or more Restricted Individual Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Issuer and the relevant Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate will, upon transfer, cease to be an interest in a Restricted Global Certificate and become an interest in an Unrestricted Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Certificate.

Prospective purchasers that are QIBs are hereby notified that sellers of the Restricted Registered Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by resolutions of a duly constituted Committee of the Board of Directors of the Bank on 21 September 1995. The renewal of the Programme on 5 March 2019 was duly authorised by the Group Finance Director for the Issuer on 4 March 2019.
2. The price of a Series of Notes on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest, if any). The admission of the Programme to trading on the Regulated Market and the ISM is expected to be granted on or around 8 March 2019 for a period of 12 months. Any Series of Notes intended to be admitted to trading on either the Regulated Market or the ISM will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the Global Note or Global Certificate representing Notes of that Series. If such Global Note is not issued, the issue of such Notes may be cancelled. Prior to admission to trading, dealings in the Notes of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

Legal Proceedings

3. Save as disclosed in the section entitled "*The Issuer and the Group – Legal Proceedings*" on page 88 of this Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Significant/Material Change

4. There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2018, nor any significant change in the financial or trading position of the Issuer or the Group since 31 December 2018.

Auditors

5. The annual consolidated accounts of the Issuer for the years ended 31 December 2018 and 31 December 2017 have each been audited without qualification by KPMG LLP, chartered accountants and registered auditors (a member of the Institute of Chartered Accountants in England and Wales), of 15 Canada Square, London E14 5GL, United Kingdom.

Documents on Display

6. Copies of the following documents may be inspected during normal business hours at Barclays Treasury, 1 Churchill Place, London E14 5HP United Kingdom and at the specified office of the Principal Paying Agent, at One Canada Square, London, E14 5AL, United Kingdom, and the CMU Lodging and Paying Agent at Level 24, Three Pacific Place, 1 Queen's Road East, Hong Kong for 12 months from the date of this Base Prospectus. In the case of (b), (c), (f), (g) and (h), these documents shall also be available in electronic form at <https://home.barclays/investor-relations/> or <http://www.sec.gov/cgi-bin/browse-edgar?company=barclays+plc&owner=exclude&action=getcompany> and, in the case of (f), (g) and (h), at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>:
 - (a) the Articles of Association of the Issuer;
 - (b) the Annual Reports;

- (c) the 2018 Conditions, the January 2018 Conditions, the 2017 Conditions, the 2017 Amended Conditions, the November 2017 Conditions, the 2016 Conditions, the 2015 Conditions and the 2014 Conditions;
- (d) the Trust Deed (which contains the forms of Notes in global and definitive form)³;
- (e) the Agency Agreement⁴;
- (f) the current Base Prospectus in respect of the Programme;
- (g) any supplementary or drawdown base prospectus published since the most recent base prospectus was published and any documents incorporated therein by reference; and
- (h) any Final Terms issued in respect of Notes admitted to listing and/or trading by the listing authority and/or stock exchange since the most recent base prospectus has been published.

Clearing of the Notes

7. The Notes may be accepted for clearance through the Clearstream, Luxembourg and Euroclear systems and DTC (which are entities in charge of keeping the records). Notes may also be accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Final Terms. The Common Code, International Securities Identification Number (ISIN), CINS, CUSIP, Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) for each Series of Notes allocated by Clearstream, Luxembourg and Euroclear or DTC will be contained in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42, Avenue J.F. Kennedy, L-1855 Luxembourg. The address of the CMU Service is 55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The address of The Depository Trust Company is 55 Water Street, New York, NY10041-0099, U.S.A.

The price and the amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

8. The following legend will appear on all Permanent Global Notes with maturities of more than 365 days and on all Definitive Notes, Coupons and Talons: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

Legal Entity Identifier

9. The Legal Entity Identifier (LEI) of the Issuer is 213800LBQA1Y9L22JB70.

³ If required by law, the Trust Deed will also be made available on the Issuer's website.

⁴ If required by law, the Agency Agreement will also be made available on the Issuer's website.

PRINCIPAL OFFICE OF THE ISSUER

Barclays PLC
1 Churchill Place
London E14 5HP
United Kingdom

**PRINCIPAL PAYING AGENT, FOREIGN EXCHANGE AGENT,
AGENT BANK AND TRUSTEE**

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

**ICSD REGISTRAR, ICSD PAYING AGENT AND ICSD TRANSFER AGENT
in respect of notes other than CMU Notes**

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

**CMU LODGING AND PAYING AGENT, CMU REGISTRAR AND
CMU TRANSFER AGENT in respect of CMU Notes**

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East
Hong Kong

ARRANGER

Barclays Bank PLC
(in its role as Arranger)
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

DEALERS

Barclays Bank PLC
(in its role as Dealer)
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Banco Santander, S.A.
Ciudad Grupo Santander
Edificio Encinar, Avenida de Cantabria
28660, Boadilla del Monte
Madrid
Spain

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**Morgan Stanley & Co.
International plc**
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

UBS AG London Branch

5 Broadgate
London EC2M 2QS
United Kingdom

LEGAL ADVISERS

To the Issuer:

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Dealers and the Trustee:

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom